

IAN ALLAN GROUP LIMITED

REGISTERED NUMBER 00739567

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2001

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DIRECTORS AND ADVISORS

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

CHAIRMAN'S STATEMENT

Although it happened three-quarters of the way through our financial year, there is no doubt that 11 September cast a long shadow over our operations both physically and psychologically.

Air travel virtually dried up overnight with the consequent collapse of sales forecasts. However after a few weeks of belt-tightening the clouds began to clear and the customers started to return to our Shepperton and Bracknell offices whilst Lysaker Travel at Bristol and our London office scraped through the slump virtually unscathed and met their targets.

Good news came from Chase Organics who scored highly despite flooding for the first part of the year and foot and mouth disease around the UK. Both seeds and seaweed extracts showed good returns.

The Printing company did well and it is gratifying to know that 25% of its turnover comes from without the Group and is therefore not entirely dependent on the fortunes of its big brother Publishing company whose results were not as good as we would have liked.

Ian Allan Motors at Woking did well with its Peugeot franchise and the staff and all concerned deserve our praise for their efforts for they worked through every inconvenience while the building was literally rebuilt around them. The expenditure on refurbishing the premises is now paying off with extremely good results. Virginia Water is rather a different story but during the year there has been much re-organisation and we are more confident that things should be better during the current year.

A Lewis Masonic publishers had a good year and contributed considerably to Publishing's coffers and Midland Counties and Midland Publishing are both becoming well and truly integrated into the Group and their results, coupled with extremely pleasing figures from the four shops, made our retail operations very attractive.

Finally, another solid performance from Tennay Properties which managed to achieve an almost 100% occupancy of its let buildings and will inevitably move on from strength to strength as long as there are businesses in North West Surrey looking for appropriate accommodation.

All-in-all a much better year than we had come to expect after the events of 11 September and I am glad to report that we are steaming again with hope of better results in 2002.

Ian Allan

REPORT OF THE DIRECTORS**Financial statements**

The directors submit their report and the audited financial statements for the year ended 30 November 2001.

Review of business and future developments

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

The directors are pleased to report that all the companies within the group with the exception of Ian Allan Motors Ltd have operated at a profit during the year.

Ian Allan Travel Ltd and Lysaker Travel Management Ltd were both affected by the tragic events of 11 September but succeeded in achieving profits better than expected in the circumstances.

Ian Allan Motors Ltd experienced much lower than expected vehicle sales at Virginia water but improvement is anticipated as Saab introduce new models into their range.

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

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

Profits and dividend

The directors recommend a dividend of £53,315.

Fixed assets

The directors do not consider that there is any significant difference between the market value and net book value of the group's interest in land at 30 November 2001.

Charitable and political contributions

The Group made charitable contributions during the year of £1,911.

Employment of disabled persons

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

REPORT OF THE DIRECTORS

Directors

The directors' interests in the capital of the Group at 1 December 2000 and at 30 November 2001 as recorded in the register maintained by the Group in accordance with the provisions of the Companies Act 1985, were as follows:

	30 November 2001		1 December 2000	
	Ordinary Shares of £1 each	Founders Shares of 25p each	Ordinary Shares of £1 each	Founders Shares of 25p each
Ian Allan	190	-	190	-
M.E. Allan	116	-	116	-
D.I. Allan	6,407	25,725	6,407	25,725
E.P. Allan	6,407	25,725	6,407	25,725
G.S. Allan	-	-	-	-
J.B. Allan	-	-	-	-
A.D. Watkins	-	-	-	-

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

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

The directors in office at 30 November 2000 are listed on page 1.

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

REPORT OF THE DIRECTORS**Directors responsibilities**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing those financial statements the directors are required to:

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

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

Auditors

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

By order of the Board



D.A. HART F.C.A.

Secretary

TO THE MEMBERS OF IAN ALLAN GROUP LIMITED

We have audited the financial statements of Ian Allan Group Limited for the year ended 30 November 2001 which comprise the Consolidated Profit and Loss Account, Consolidated and Company Balance Sheets, Consolidated Cash Flow Statement and related notes. These financial statements have been prepared under the historical cost convention, and the accounting policies set out therein.

Respective responsibilities of the directors and auditors

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

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if the information specified by law regarding directors' remuneration and transactions with the group is not disclosed.

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

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

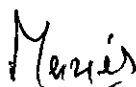
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's and the group's affairs at 30 November 2001 and of the group profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

19 March 2002

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



Menzies
Chartered Accountants and
Registered Auditor

CONSOLIDATED PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 NOVEMBER 2001

	Notes	2001 £000	2000 £000
Turnover	2	60,433	63,140
Cost of sales		50,806	53,598
		<hr/>	<hr/>
Gross profit		9,627	9,542
Operating expenses			
Distribution		(542)	(521)
Administration		(8,813)	(8,393)
Other operating income	2	127	119
		<hr/>	<hr/>
Operating profit		399	747
		<hr/>	<hr/>
Profit on ordinary activities before interest		399	747
Interest receivable	3	22	34
Interest payable	3	(43)	(58)
		<hr/>	<hr/>
Profit on ordinary activities before taxation	2	378	723
Taxation on profit on ordinary activities	4	187	249
		<hr/>	<hr/>
Profit on ordinary activities after taxation		191	474
Dividends	5	53	103
		<hr/>	<hr/>
Retained profit for the financial year	17	138	371
		<hr/>	<hr/>

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

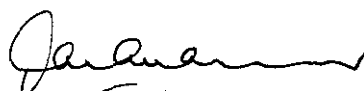

CONSOLIDATED BALANCE SHEET

30 NOVEMBER 2001

	Notes	2001 £000	2000 £000
Fixed assets			
Intangible assets	8	767	836
Tangible assets	9	11,974	12,008
		<hr/>	<hr/>
		12,741	12,844
Current assets			
Stock and work in progress	11	4,305	3,689
Debtors	12	3,935	5,221
Cash at bank		201	262
		<hr/>	<hr/>
		8,441	9,172
Creditors: amounts falling due within one year	13	6,094	6,676
		<hr/>	<hr/>
Net current assets		2,347	2,496
		<hr/>	<hr/>
Total assets less current liabilities		15,088	15,340
Creditors: amounts falling due after more than one year	14	-	350
Provisions for liabilities and charges	15	151	191
		<hr/>	<hr/>
		14,937	14,799
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	16	50	50
Share premium account		79	79
Profit and loss account	17	14,808	14,670
		<hr/>	<hr/>
Shareholders' funds	18	14,937	14,799
		<hr/>	<hr/>

The financial statements were approved by the Board of Directors on 19 March 2002.

Directors:

E.P. Allan

D.I. Allan

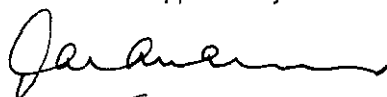
BALANCE SHEET

30 NOVEMBER 2001

	Notes	2001 £000	2000 £000
Fixed assets			
Tangible assets	9	93	102
Investments	10	2,481	2,481
		<u>2,574</u>	<u>2,583</u>
Current assets			
Debtors	12	9,580	9,296
Cash in hand		1	-
		<u>9,581</u>	<u>9,296</u>
Creditors: amounts falling due within one year	13	5,414	4,729
Net current assets		<u>4,167</u>	<u>4,567</u>
Total assets less current liabilities		<u>6,741</u>	<u>7,150</u>
Creditors: amounts falling due after more than one year	14	-	350
		<u>6,741</u>	<u>6,800</u>
Capital and reserves			
Called up share capital	16	50	50
Share premium account		79	79
Profit and loss account	17	6,612	6,671
Shareholders' funds	18	<u>6,741</u>	<u>6,800</u>

The financial statements were approved by the Board of Directors on 19 March 2002.

Directors:



E.P. Allan



D.I. Allan

CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 30 NOVEMBER 2001

	Notes	2001 £000	2000 £000
Cash inflow from operating activities	a	1,094	1,949
Returns on investments and servicing of finance	b	(21)	(24)
Taxation		(300)	(252)
Capital expenditure and financial investment	b	(731)	(1,155)
Equity dividends paid		(103)	(3)
Cash (outflow) inflow before use of liquid resources and financing		(61)	515
Management of liquid resources			
Net movements in short term deposits		-	-
(Decrease) increase in cash in the period		(61)	515
Reconciliation of net cash flow to movements in net funds			
(Decrease) increase in cash in the period		(61)	515
Cash outflow from change in liquid resources		-	-
Change in net funds resulting from cash flows		(61)	515
Movement in net funds (debt) in the period		(61)	515
Net funds (debt) at 1 December 2000		262	(253)
Net funds at 30 November 2001	c	201	262

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 30 NOVEMBER 2001

a Reconciliation of operating profit to operating cash flows

	2001 £000	2000 £000
Operating profit	399	747
Increase in stocks	(616)	(199)
Decrease in debtors	1,286	221
(Decrease) increase in creditors	(774)	386
Decrease in provision	(35)	-
Depreciation and amortisation	821	806
Net loss (profit) on disposal of tangible fixed assets	13	(12)
Net cash inflow from operating activities	1,094	1,949

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

	2001 £000	2000 £000
Returns on investments and servicing of finance		
Interest paid	(43)	(58)
Interest received	22	34
Net cash outflow for returns on investments and servicing of finance	(21)	(24)
Capital expenditure and financial investment		
Purchase of intangible fixed assets	(40)	(2)
Purchase of tangible fixed assets	(846)	(1,175)
Sale of tangible fixed assets	155	22
Net cash outflow inflow for capital expenditure and financial investment	(731)	(1,155)

c Analysis of net funds

	At 1 Dec 2000 £000	Cash flow £000	At 30 Nov 2001 £000
Cash at bank and in hand	262	(61)	201

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2001

1. Accounting policies

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

Accounting Convention

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

Basis of consolidation

All subsidiary companies are consolidated and all companies in the Group make up their financial statements to 30 November 2001. 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 £6,000 (2000 - profit of £35,000) before dividends payable has been dealt with in the accounts of Ian Allan Group Limited.

Deferred taxation

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

Depreciation

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

Freehold land	- nil
Freehold buildings	- on straight line basis over expected economic life
Leasehold property	- on a straight line basis over the term of the lease
Vehicles	- 25% per annum on cost
Plant and equipment:	
Computers and computer based equipment	- 20-33% per annum on cost
Printing presses	- 20% per annum on cost
Telephone systems	- 20% per annum on cost
Other	- 15% per annum on net book value, or 10 - 20% on cost

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2001

1. Accounting policies (Continued)

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
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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 2001

1. Accounting policies (Continued)**Lease and hire purchase commitments**

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

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

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

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

Foreign currencies

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

2. Turnover and profit on ordinary activities before taxation

Turnover was contributed as follows.

	2001 £000	2000 £000
Vehicle sales and servicing	10,802	11,203
Printing and publishing sales	9,039	7,945
Travel sales	38,308	41,850
Property rentals and other operations	832	765
Horticultural product sales	1,453	1,377
	<hr/>	<hr/>
	60,434	63,140
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2001

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

Profit is stated after charging:

	2001 £000	2000 £000
Depreciation and amortisation	821	806
Auditors' remuneration - audit	63	52
Auditors' remuneration - non audit	15	22
Operating lease rentals - plant and machinery	37	28
Operating lease rentals - land and buildings	137	30
Loss on disposal of fixed assets	13	-
and after crediting		
Other operating income		
Other sundry income	127	107
Profit on disposal of fixed assets	-	12
	127	119

3. Interest

	2001 £000	2000 £000
Interest receivable		
On bank deposit	16	28
Other	6	6
	22	34
Interest payable		
On bank overdraft	3	7
On other loans	40	51
	43	58

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2001

4. Tax on profit on ordinary activities

	2001 £000	2000 £000
UK Corporation Tax:		
Current tax on profits of the year	196	276
Adjustment in respect of prior periods	(4)	(1)
	<hr/> 192	<hr/> 275
Transfer from deferred taxation	(5)	(26)
	<hr/> 187	<hr/> 249
	<hr/> <hr/>	<hr/> <hr/>

5. Dividends

	2001 £000	2000 £000
Ordinary shares		
Final dividend proposed of 14p per share	3	3
Founders' shares		
Final dividend proposed of £0.475 per share (2000 - £0.95)	50	100
	<hr/> 53	<hr/> 103
	<hr/> <hr/>	<hr/> <hr/>

6. Staff costs

Staff costs, including directors remuneration, were as follows

	2001 £000	2000 £000
Wages and salaries	5,761	5,340
Social security costs	624	593
Redundancy costs	20	-
Pension costs	150	153
	<hr/> 6,555	<hr/> 6,086
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2001

6. Staff costs (continued)

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

	No.	No.
Production	39	37
Sales	139	131
Administrative	126	125
	<hr/>	<hr/>
	304	293
	<hr/>	<hr/>

7. Directors

	2001 £000	2000 £000
Remuneration		
All directors		
Aggregate emoluments	521	474
Company pension contributions to money purchase schemes	78	72
	<hr/>	<hr/>
Highest paid director		
Aggregate emoluments	143	136
Company pension contributions to money purchase schemes	13	12
	<hr/>	<hr/>
	156	148
	<hr/>	<hr/>
Amount of rights to emoluments waived by three directors	48	119
	<hr/>	<hr/>

Retirement benefits accrued to five directors under money purchase pension schemes during the year (2000 - five).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2001

8. Intangible fixed assets

Group

	Goodwill £000	Development costs £000	Other £000	Total £000
Cost				
At 1 December 2000	29	7	1,186	1,222
Additions	40	-	-	40
	<hr/>	<hr/>	<hr/>	<hr/>
30 November 2001	69	7	1,186	1,262
	<hr/>	<hr/>	<hr/>	<hr/>
Amortisation				
At 1 December 2000	29	7	350	386
Charge for the year	5	-	104	109
	<hr/>	<hr/>	<hr/>	<hr/>
30 November 2001	34	7	454	495
	<hr/>	<hr/>	<hr/>	<hr/>
Net book amount				
At 30 November 2000	40	-	836	836
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 November 2001	35	-	732	767
	<hr/>	<hr/>	<hr/>	<hr/>

"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 2001

9. Tangible fixed assets

Group	Freehold Land and Buildings £000	Short Leasehold Property £000	Vehicles Plant and Equipment £000	Total £000
Cost				
At 1 December 2000	10,516	159	3,788	14,463
Additions	190	-	656	846
Disposals	(114)	-	(505)	(619)
At 30 November 2001	10,592	159	3,939	14,690
Depreciation				
At 1 December 2000	42	99	2,314	2,455
Charge for the year	43	18	651	712
Released on disposals	(1)	-	(450)	(451)
At 30 November 2001	84	117	2,515	2,716
Net book value				
At 30 November 2000	10,474	60	1,474	12,008
At 30 November 2001	10,508	42	1,424	11,974

All freehold land and buildings are included at historical cost.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2001

9. Tangible fixed assets (Continued)

Company	Vehicles Plant and Equipment £000
Cost	
At 1 December 2000	251
Additions	34
Disposals	(34)
Transfer to group undertaking	(8)
	<hr/>
At 30 November 2001	243
	<hr/> <hr/>
Depreciation	
At 1 December 2000	149
Charge for the year	42
Disposals	(34)
Transfer to group undertaking	(7)
	<hr/>
At 30 November 2001	150
	<hr/> <hr/>
Net book value	
At 30 November 2000	102
	<hr/> <hr/>
At 30 November 2001	93
	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2001

10. Investments

Company	2001 £000	2000 £000
Shares in group companies		
At 1 December 2000	2,481	2,478
Additions	-	3
	<hr/>	<hr/>
30 November 2001	2,481	2,481
	<hr/>	<hr/>

The principal subsidiary undertakings wholly owned by the group at 30 November 2001 are listed below. All the undertakings are registered in England and Wales.

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

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

11. Stock and work in progress

Group	2001 £000	2000 £000
Work in progress	177	247
New and used motor vehicles	1,154	962
Raw materials	63	53
Finished goods	2,911	2,427
	<hr/>	<hr/>
	4,305	3,689
	<hr/>	<hr/>

The above amounts include consignment stock of £184,000 (2000 - £216,000) delivered to the group's premises and recognised in the balance sheet of the group in accordance with FRS 5.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2001

12. Debtors

	Group		Company	
	2001 £000	2000 £000	2001 £000	2000 £000
Trade debtors	3,242	4,367	-	-
Amounts due from group undertakings	-	-	9,432	9,142
Other debtors	316	438	133	136
Prepayments and accrued income	377	416	15	18
	<u>3,935</u>	<u>5,221</u>	<u>9,580</u>	<u>9,296</u>

All amounts included above are considered receivable within one year.

13. Creditors:

Amounts falling due within one year

	Group		Company	
	2001 £000	2000 £000	2001 £000	2000 £000
Bank overdrafts	-	-	4,654	4,315
Trade creditors	3,331	3,756	5	22
Amounts due to group undertakings	-	-	160	133
Current corporation tax	107	215	3	-
Social security and other taxes	271	295	88	116
Other creditors	690	280	409	9
Accruals and deferred income	1,642	2,027	42	31
Proposed dividend	53	103	53	103
	<u>6,094</u>	<u>6,676</u>	<u>5,414</u>	<u>4,729</u>

14. Creditors:

Amounts falling due after more than one year

	Group		Company	
	2001 £000	2000 £000	2001 £000	2000 £000
Other creditors	-	350	-	350

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2001

15. Provisions for liabilities and charges

Provision for relocation of distribution and warehousing operations

Group	2001 £000	2000 £000
At 1 December 1998	35	35
Released during the year	(35)	-
	<hr/>	<hr/>
At 30 November 1999	-	35
	<hr/>	<hr/>

The provision represented the anticipated costs of relocating the groups book distribution and warehousing operations.

Deferred taxation

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

Group	Amount provided		Potential liability unprovided	
	2001 £000	2000 £000	2001 £000	2000 £000
Accelerated capital allowances	151	156	-	-
Rolled over gains	-	-	1,380	1,380
	<hr/>	<hr/>	<hr/>	<hr/>
	151	156	1,380	1,380
	<hr/>	<hr/>	<hr/>	<hr/>

The unprovided liability shown above will only crystallise in the event of a disposal of certain tangible assets for their net book value at 30 November 2001.

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

Movements during the year were as follows

	2001 £	2000 £
At 1 December 2000	156	182
Transfer to corporation tax	(5)	(26)
	<hr/>	<hr/>
At 30 November 2001	151	156
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2001

16. Called up share capital

	2001 £000	2000 £000
Authorised		
Non-equity		
23,750 ordinary shares of £1 each	24	24
Equity		
105,000 founders shares of 25p each	26	26
	<hr/>	<hr/>
	50	50
	<hr/>	<hr/>
Allotted, called up and fully paid		
Non-equity		
23,682 ordinary shares of £1 each	24	24
Equity		
105,000 founders shares of 25p each	26	26
	<hr/>	<hr/>
	50	50
	<hr/>	<hr/>

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

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

17. Profit and loss account

	Group		Company	
	2001 £000	2000 £000	2001 £000	2000 £000
At 1 December 2000	14,670	14,299	6,671	6,738
Profit (loss) for the financial year	138	371	(59)	(67)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 November 2001	14,808	14,670	6,612	6,671
	<hr/>	<hr/>	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2001

18. Reconciliation of movement in shareholders' funds

	2001 £000	2000 £000
Profit for the financial year	191	474
Dividends	53	103
	<hr/>	<hr/>
Opening shareholders' funds	138 14,799	371 14,428
	<hr/>	<hr/>
Closing shareholders' funds	14,937	14,799
	<hr/>	<hr/>
Analysis of shareholder's funds		
Non-equity interests	24	24
Equity interests	14,913	14,775
	<hr/>	<hr/>
	14,937	14,799
	<hr/>	<hr/>

19. Commitments under operating leases

At 30 November 2001 the group was committed to making the following payments under operating leases over the following twelve months.

	Land and Buildings £000	Other Assets £000
Contracts to expire:		
within one year	7	-
between one and five years	42	13
after five years	79	-
	<hr/>	<hr/>
	128	13
	<hr/>	<hr/>

20. Future capital expenditure

At 30 November 2001 the directors had authorised capital expenditure as follows.

	Group		Company	
	2001 £000	2000 £000	2001 £000	2000 £000
Contracted	92	194	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2001

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 2001 of £586,000 (2000 - £762,000).

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 2001 amounted to £150,000 (2000 - £153,000).

23. Contingent liabilities

- a. Ian Allan Group Limited has guaranteed the bank borrowings of other companies within the group. At 30 November 2001 the group had no net bank borrowings.
- b. The company has guaranteed the borrowing facility provided by Saab Finance Limited to finance the trading stock of the motor company. The value of the finance outstanding at 30 November 2001 was £433,000 (2000 - £137,000).

24. Related party transactions

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