

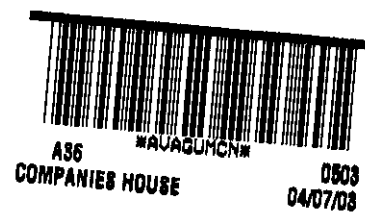
IAN ALLAN GROUP LIMITED

REGISTERED NUMBER 00739567

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2002

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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 (resigned 20 February 2003)
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

If nothing else 2002 was certainly a year of uncertainty. The events of 11 September cast a dark shadow over many businesses and for us more importantly a big black cloud over the travel trade. Fortunately diversification of activities, which has always been the Group's policy, has enabled us to alleviate gloomy figures in some parts by good ones elsewhere. Publishing and direct selling through our shops were particularly strong as was our organic fertilizer and seed business both of which show good results. Printing was reasonably good though the purchase of new equipment disguised the good news as profit disappeared due to high depreciation of old and new equipment but, if events go ahead according to plan, expenditure on new technology should be well reflected in next year's profits as the five-colour printing machine will be financially completely written off in 2003.

On 'Motors' activities our Saab franchise at Virginia Water has shown good results though still, unfortunately, in a loss situation and this with poorer than expected results from Woking have produced a final figure which is rather disappointing. During the year the Group acquired a new travel business - Management By Air Limited - which has now been consolidated into Ian Allan Travel Limited. This acquisition has helped to enhance the travel company's results despite the general reduction in sales.

Tennay Properties performed very well and as a result of careful management and husbandry had a very satisfactory year. During the year it was decided to move the Group office into refurbished premises at Terminal House in order to leave Dial House unencumbered by Group activities to be let to an outside tenant, which will allow operating economies and at the same time enhance revenue from outside.

After 15 years with the Group as managing director of Chase Organics GB Limited, Richard Rixson will retire during 2003 and the directors take this opportunity to express their appreciation for his great contribution to this company in particular and the Group in general. We wish him well for the future though we are glad to know that he will remain loosely connected by continuing to assist in the sales of SM3 and other seaweed products. Sadly also we shall lose the services of Fred Brazington early in 2003. Fred headed the Lysaker operation in Bristol and masterminded the transfer of the company to "Ian Allan Travel" so seamlessly. We wish him too a happy retirement.

Gloomy though 2002 was, 2003 doesn't look to be much better but I am ever an optimist and I trust that all will right itself in the end; it always has done and I am sure it always will.

Once again I express my appreciation of the superb contribution made to the company by its directors and staff.

IAN ALLAN
14 March 2003

REPORT OF THE DIRECTORS**Financial statements**

The directors submit their report and the audited financial statements for the year ended 30 November 2002.

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. The Saab dealership at Virginia Water continued to operate at a loss though performance was much improved on the previous year.

The Group's travel agency businesses have experienced a reduction in turnover due to international events, which have adversely affected the travel industry in general. However, margins have been improved, which, together with careful control of overheads, has resulted in an acceptable profit for the year. On 1 June 2002 Ian Allan Travel Limited purchased the entire share capital of Management by Air Limited.

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 £3,315.

Fixed assets

The directors do not consider it practicable to quantify any difference between the market value and net book value of the group's interest in land at 30 November 2002.

Charitable and political contributions

The Group made charitable contributions during the year of £2,720.

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 2001 and at 30 November 2002 as recorded in the register maintained by the Group in accordance with the provisions of the Companies Act 1985, were as follows:

	30 November 2002		1 December 2001	
	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 2002 are listed on page 1.

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

Directors responsibilities

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

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

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

REPORT OF THE DIRECTORS

Auditors

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

By order of the Board

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

D.A. HART F.C.A.

Secretary

12 March 2003

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 2002 which comprise the Consolidated Profit and Loss Account, Consolidated and Company Balance Sheets, Consolidated Cash Flow Statement and related notes. These financial statements have been prepared under the historical cost convention, and the accounting policies set out therein.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

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

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

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

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

Basis of opinion

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

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

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 November 2002 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

12 March 2003

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 2002

	Notes	2002 £000	2001 £000
Turnover	2	58,063	60,433
Cost of sales		47,834	50,806
Gross profit		10,229	9,627
Operating expenses			
Distribution		(626)	(542)
Administration		(9,369)	(8,813)
Other operating income	2	243	127
Operating profit		477	399
Profit on ordinary activities before interest		477	399
Interest receivable	3	19	22
Interest payable	3	(46)	(43)
Profit on ordinary activities before taxation	2	450	378
Taxation on profit on ordinary activities	4	172	187
Profit on ordinary activities after taxation		278	191
Dividends	5	3	53
Retained profit for the financial year	17	275	138

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.

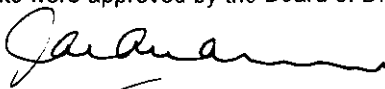
CONSOLIDATED BALANCE SHEET

30 NOVEMBER 2002

	Notes	2002 £000	2001 £000
Fixed assets			
Intangible assets	8	927	767
Tangible assets	9	11,859	11,974
		<hr/>	<hr/>
		12,786	12,741
Current assets			
Stock and work in progress	11	4,993	4,305
Debtors	12	4,915	3,935
Cash at bank		167	201
		<hr/>	<hr/>
		10,075	8,441
Creditors: amounts falling due within one year	13	7,339	6,094
		<hr/>	<hr/>
Net current assets		2,736	2,347
		<hr/>	<hr/>
Total assets less current liabilities		15,522	15,088
Creditors: amounts falling due after more than one year	14	220	-
Provisions for liabilities and charges	15	90	151
		<hr/>	<hr/>
		15,212	14,937
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	16	50	50
Share premium account		79	79
Profit and loss account	17	15,083	14,808
		<hr/>	<hr/>
Shareholders' funds	18	15,212	14,937
		<hr/>	<hr/>

The financial statements were approved by the Board of Directors on 12 March 2003.

Directors:



E.P. Allan



D.I. Allan

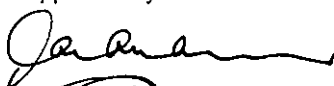
BALANCE SHEET

30 NOVEMBER 2002

	Notes	2002 £000	2001 £000
Fixed assets			
Tangible assets	9	65	93
Investments	10	2,481	2,481
		<u>2,546</u>	<u>2,574</u>
Current assets			
Debtors	12	11,763	9,580
Cash in hand		1	1
		<u>11,764</u>	<u>9,581</u>
Creditors: amounts falling due within one year	13	6,728	5,414
Net current assets		<u>5,036</u>	<u>4,167</u>
Total assets less current liabilities		<u>7,582</u>	<u>6,741</u>
Creditors: amounts falling due after more than one year	14	220	-
		<u>7,362</u>	<u>6,741</u>
Capital and reserves			
Called up share capital	16	50	50
Share premium account		79	79
Profit and loss account	17	7,233	6,612
Shareholders' funds	18	<u>7,362</u>	<u>6,741</u>

The financial statements were approved by the Board of Directors on 12 March 2003.

Directors:



E.P. Allan



D.I. Allan

CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 30 NOVEMBER 2002

	Notes	2002 £000	2001 £000
Cash inflow from operating activities	a	218	1,094
Returns on investments and servicing of finance	b	(27)	(21)
Taxation		(141)	(300)
Capital expenditure and financial investment	b	(576)	(731)
Acquisitions	d		
Purchase of subsidiary undertaking		(649)	
Bank balances acquired with subsidiaries		312	
		<u>(337)</u>	
Equity dividends paid		(53)	(103)
Cash (outflow) inflow before use of liquid resources and financing		<u>(916)</u>	<u>(61)</u>
Management of liquid resources			
Net movements in short term deposits		-	-
		<u>(916)</u>	<u>(61)</u>
(Decrease) increase in cash in the period		<u>(916)</u>	<u>(61)</u>
Reconciliation of net cash flow to movements in net funds			
(Decrease) increase in cash in the period		(916)	(61)
Cash outflow from change in liquid resources		-	-
		<u>(916)</u>	<u>(61)</u>
Change in net funds resulting from cash flows		<u>(916)</u>	<u>(61)</u>
Movement in net funds (debt) in the period		(916)	(61)
Net funds (debt) at 1 December 2001		201	262
Net funds at 30 November 2002	c	<u>(715)</u>	<u>201</u>

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 30 NOVEMBER 2002

a Reconciliation of operating profit to operating cash flows

	2002 £000	2001 £000
Operating profit	477	399
Increase in stocks	(688)	(616)
(Increase) decrease in debtors	(524)	1,286
(Decrease) increase in creditors	107	(774)
Increase (decrease) in provision	34	(35)
Depreciation and amortisation	857	821
Net loss (profit) on disposal of tangible fixed assets	(45)	13
Net cash inflow from operating activities	218	1,094

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

	2002 £000	2001 £000
Returns on investments and servicing of finance		
Interest paid	(46)	(43)
Interest received	19	22
Net cash outflow for returns on investments and servicing of finance	(27)	(21)
Capital expenditure and financial investment		
Purchase of intangible fixed assets	-	(40)
Purchase of tangible fixed assets	(690)	(846)
Sale of tangible fixed assets	148	155
Purchase of investment	(34)	-
Net cash outflow for capital expenditure and financial investment	(576)	(731)

c Analysis of net funds

	At 1 Dec 2001 £000	Cash flow £000	At 30 Nov 2002 £000
Cash at bank and in hand	201	(916)	(715)

d Purchase of subsidiary undertaking

Net assets acquired	
Tangible fixed assets	12
Debtors	456
Cash at bank and in hand	312
Creditors	(434)
Goodwill	303
Satisfied by cash	649

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2002

1. Accounting policies

The principal accounting policies of the Group are set out below.

Accounting Convention

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

Basis of consolidation

All subsidiary companies are consolidated and all companies in the Group make up their financial statements to 30 November 2002. No profit and loss account is presented for the holding company as provided for by Section 230(3) of the Companies Act 1985. A profit of £624,000 (2001 - loss of £6,000) before dividends payable has been dealt with in the accounts of Ian Allan Group Limited.

Deferred taxation

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

The company previously provided for deferred taxation on the liability method. This change of accounting policy follows the introduction of Financial Reporting Standard 19. This change of accounting policy has no effect on the amounts disclosed in previous periods.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2002

1. Accounting policies (Continued)

Goodwill

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

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

Intangible fixed assets - Research and development

Expenditure on research is charged to the profit and loss account in the year in which the expenditure is incurred.

The purchase of backlist titles for further development and expenditure on further back projects is capitalised and deferred to future periods in accordance with Statement of Standard Accounting Practice 13.

The cost, less estimated residual value, of the company's intangible fixed assets is amortised over their estimated useful lives to the business as follows:

Development costs	- 20% per annum on cost
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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 2002

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.

	2002 £000	2001 £000
Vehicle sales and servicing	11,910	10,802
Printing and publishing sales	9,897	9,039
Travel sales	33,814	38,307
Property rentals and other operations	888	832
Horticultural product sales	1,554	1,453
	<hr/>	<hr/>
	58,063	60,433
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2002

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

Profit is stated after charging:

	2002 £000	2001 £000
Depreciation and amortisation	857	821
Auditors' remuneration - audit	67	63
Auditors' remuneration - non audit	22	15
Operating lease rentals - plant and machinery	13	37
Operating lease rentals - land and buildings	114	137
Loss on disposal of fixed assets	-	13
and after crediting		
Other operating income		
Other sundry income	198	127
Profit on disposal of fixed assets	45	-
	<u>243</u>	<u>127</u>

3. Interest

	2002 £000	2001 £000
Interest receivable		
On bank deposit	8	16
Other	11	6
	<u>19</u>	<u>22</u>
Interest payable		
On bank overdraft	7	3
On other loans	39	40
	<u>46</u>	<u>43</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2002

4. Tax on profit on ordinary activities

(a) Analysis of charge for the year

	2002 £	2001 £
Current tax:		
UK Corporation tax on profits for the year	232	196
Adjustment in respect of prior years	1	(4)
	<hr/>	<hr/>
Total current tax (note 4b)	233	192
Deferred tax:		
Origination and reversal of timing differences	(61)	(5)
	<hr/>	<hr/>
	172	187
	<hr/>	<hr/>

(b) Factors affecting the tax charge for the year

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

	2002 £	2001 £
Profit on ordinary activities before tax	450	378
	<hr/>	<hr/>
Profit on ordinary activities before tax multiplied by the rate of Corporation Tax of 28.9% (2001: 30%)	130	116
Expenses not deductible for tax purposes	53	15
Depreciation in excess of capital allowances	38	61
Adjustments in respect of prior years	1	(4)
Utilisation of losses	2	4
Other timing differences	9	-
	<hr/>	<hr/>
Current tax charge for the year	233	192
	<hr/>	<hr/>

(c) Factors that may affect future tax charges

No provision has been made for deferred tax on chargeable gains which have been rolled into certain of the company's fixed assets on the grounds that the directors have no intention of disposing of those assets without further reinvestment. The potential tax liability relating to the rolled over gain amounts to £1,377,326.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2002

5. Dividends

	2002 £000	2001 £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
	<hr/>	<hr/>
Total proposed final dividend	3	53
	<hr/>	<hr/>

6. Staff costs

Staff costs, including directors remuneration, were as follows

	2002 £000	2001 £000
Wages and salaries	6,250	5,761
Social security costs	574	624
Redundancy costs	18	20
Pension costs	104	150
	<hr/>	<hr/>
	6,946	6,555
	<hr/>	<hr/>

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

	No.	No.
Production	35	39
Sales	164	139
Administrative	118	126
	<hr/>	<hr/>
	317	304
	<hr/>	<hr/>

7. Directors

	2002 £000	2001 £000
Remuneration		
All directors		
Aggregate emoluments	739	521
Company pension contributions to money purchase schemes	32	78
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2002

7. Directors (continued)

	2002 £000	2001 £000
Highest paid director		
Aggregate emoluments	219	143
Company pension contributions to money purchase schemes	-	13
	<u>219</u>	<u>156</u>
Amount of rights to emoluments waived by three directors	70	48

Retirement benefits accrued to five directors under money purchase pension schemes during the year (2001 - five).

8. Intangible fixed assets

Group

	Goodwill £000	Development costs £000	Other £000	Total £000
Cost				
At 1 December 2001	69	7	1,186	1,262
Additions	-	-	303	303
Acquisitions	110	-	-	110
	<u>179</u>	<u>7</u>	<u>1,489</u>	<u>1,675</u>
30 November 2002	179	7	1,489	1,675
Amortisation				
At 1 December 2001	34	7	454	495
Acquisitions	110	-	-	110
Charge for the year	8	-	135	143
	<u>152</u>	<u>7</u>	<u>589</u>	<u>748</u>
30 November 2002	152	7	589	748
Net book amount				
At 30 November 2001	35	-	732	767
At 30 November 2002	27	-	900	927

"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 2002

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 2001	10,592	159	3,939	14,690
Additions	46	-	644	690
Acquisitions	-	-	57	57
Disposals	(95)	-	(188)	(283)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 November 2002	10,543	159	4,452	15,154
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 December 2001	84	117	2,515	2,716
Acquisitions	-	-	45	45
Charge for the year	43	17	654	714
Released on disposals	(2)	-	(178)	(180)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 November 2002	125	134	3,036	3,295
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 30 November 2001	10,508	42	1,424	11,974
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 November 2002	10,418	25	1,416	11,859
	<hr/>	<hr/>	<hr/>	<hr/>

All freehold land and buildings are included at historical cost.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2002

9. Tangible fixed assets (Continued)

Company	Vehicles Plant and Equipment £000
Cost	
At 1 December 2001	243
Additions	16
Disposals	(13)
	<hr/>
At 30 November 2002	246
	<hr/>
Depreciation	
At 1 December 2001	150
Charge for the year	44
Disposals	(13)
	<hr/>
At 30 November 2002	181
	<hr/>
Net book value	
At 30 November 2001	93
	<hr/>
At 30 November 2002	65
	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2002

10. Investments

Group

	2002 £000	2001 £000
Unlisted investment		
Net book value at 1 December 2001	-	-
Additions	34	-
Provision	(34)	-
	<hr/>	<hr/>
Net book value at 30 November 2002	-	-

Company

	2002 £000	2001 £000
Shares in group companies		
At 1 December 2001	2,481	2,481
	<hr/>	<hr/>
At 30 November 2002	2,481	2,481

The principal subsidiary undertakings wholly owned by the group at 30 November 2002 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
Lysaker Travel Management Limited	Business travel managers
Management by Air Ltd	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	2002 £000	2001 £000
Work in progress	264	177
New and used motor vehicles	1,224	1,154
Raw materials	82	63
Finished goods	3,423	2,911
	<hr/>	<hr/>
	4,993	4,305

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2002

11. Stock and work in progress (continued)

The above amounts include consignment stock of £228,000 (2001 - £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	
	2002	2001	2002	2001
	£000	£000	£000	£000
Trade debtors	3,409	3,242	-	-
Amounts due from group undertakings	-	-	10,918	9,432
Other debtors	1,113	316	827	133
Prepayments and accrued income	393	377	18	15
	<u>4,915</u>	<u>3,935</u>	<u>11,763</u>	<u>9,580</u>

All amounts included above are considered receivable within one year.

13. Creditors:

Amounts falling due within one year

	Group		Company	
	2002	2001	2002	2001
	£000	£000	£000	£000
Bank overdrafts	882	-	6,061	4,654
Trade creditors	3,339	3,331	5	5
Amounts due to group undertakings	-	-	133	160
Current corporation tax	198	107	13	3
Social security and other taxes	266	271	91	88
Other creditors	574	690	161	409
Accruals and deferred income	2,077	1,642	261	42
Proposed dividend	3	53	3	53
	<u>7,339</u>	<u>6,094</u>	<u>6,728</u>	<u>5,414</u>

14. Creditors:

Amounts falling due after more than one year

	Group		Company	
	2002	2001	2002	2001
	£000	£000	£000	£000
Other creditors	220	-	220	-

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2002

15. Provisions for liabilities and charges

Provision for relocation of distribution and warehousing operations

Group	2002 £000	2001 £000
At 1 December 2001	-	35
Released during the year	-	(35)
	<hr/>	<hr/>
At 30 November 2002	-	-
	<hr/>	<hr/>

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

Deferred taxation

Group	2002 £	2001 £
Accelerated capital allowances	90	151
	<hr/>	<hr/>
Movements during the year were as follows:		
	2002 £	2001 £
At 1 December 2001	151	156
Amount released	(61)	(5)
	<hr/>	<hr/>
At 30 November 2002	90	151
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2002

16. Called up share capital

	2002 £000	2001 £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	
	2002 £000	2001 £000	2002 £000	2001 £000
At 1 December 2001	14,808	14,670	6,612	6,671
Profit (loss) for the financial year	275	138	621	(59)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 November 2002	15,083	14,808	7,233	6,612
	<hr/>	<hr/>	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2002

18. Reconciliation of movement in shareholders' funds

	2002 £000	2001 £000
Profit for the financial year	278	191
Dividends	3	53
	<hr/>	<hr/>
Opening shareholders' funds	275 14,937	138 14,799
	<hr/>	<hr/>
Closing shareholders' funds	15,212	14,937
	<hr/>	<hr/>
Analysis of shareholders' funds		
Non-equity interests	24	24
Equity interests	15,188	14,913
	<hr/>	<hr/>
	15,212	14,937
	<hr/>	<hr/>

19. Commitments under operating leases

At 30 November 2002 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	-	-
between one and five years	65	13
after five years	130	-
	<hr/>	<hr/>
	195	13
	<hr/>	<hr/>

20. Future capital expenditure

At 30 November 2002 the directors had authorised capital expenditure as follows.

	Group		Company	
	2002 £000	2001 £000	2002 £000	2001 £000
Contracted	10	92	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2002

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 2002 of £308,000 (2001 - £586,000).

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 2002 amounted to £104,000 (2001 - £150,000).

23. Contingent liabilities

- a. The company has provided Barclays Bank plc with guarantees to secure the bank borrowings of other companies within the group. At 30 November 2002 the group had net bank borrowings with Barclays Bank plc of £881,950 (2001 - £nil).
- 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 2002 was £302,000 (2001 - £433,000).

24. Related party transactions

- a. 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.
- b. During the year the company made a loan to EP Allan, a director and shareholder of the company, to assist the purchase of a property on which the loan was secured. The amount of the loan outstanding at the year end was £680,889 and this was the maximum outstanding during the year. On 14 February 2003, £500,000 was repaid to the company.