

IAN ALLAN GROUP LIMITED

REGISTERED NUMBER 00739567

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 1999

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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

## **IAN ALLAN GROUP LIMITED**

### **CHAIRMAN'S STATEMENT**

We began the year with the intention of making it a period of consolidation to concentrate on developing all our existing businesses. This we have done and the results are encouraging. In our Publishing division we acquired two companies operating in the Midlands, one of which specialised in mail order whilst the other specialised in the publication of aircraft and, to a lesser extent, railway books. These have now come fully under the Graphics umbrella and the profitability of the division has risen accordingly. This development coupled with increasing activity in the sale of subscriptions to our magazines has led to a satisfactory result.

Our printing subsidiary has benefited from increased activity by the Publishing companies and by a considerable increase in outside work. Indeed, so much business has been put through the printing company we have been running three shifts at times and the five colour printing machine which we acquired just over a year ago has done no fewer than 40,000,000 impressions.

Our association with Henry Doubleday Association has continued to advance the number of orders being taken through Chase Organics. Unfortunately although the company increased its turnover, gross profit margins did not reach the expected levels.

As with Graphics, the Travel division increased its turnover by the acquisition of Lysaker Travel, a Bristol based business travel management company.

The motor car business has been very encouraging. At Woking the Peugeot franchise has done extremely well and indeed will almost certainly do better. Meanwhile at Virginia Water we are struggling slightly as we recover from the change of franchise and get deeper into our arrangements with Saab which is beginning to show good results.

On the whole all our operations have been satisfactory and we feel that the base is well set at the moment for even better things in the year to come. We were all sad to see our former Financial Director Norman Miles with serious health problems towards the end of the year and from which he subsequently died in January 2000. Norman Miles was a moving force in the development of the Group during the 30 years in which he served it, indeed he was still a director on the day he died. We shall all be grateful to him for the great contribution he made to the Group's development and profitability.

Ian Allan

**REPORT OF THE DIRECTORS****Financial statements**

The directors submit their report and the audited financial statements for the year ended 30 November 1999.

**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 Group acquired three new subsidiaries during the year which complement its existing activities. In March, Midland Counties Publications (Aerophile) Limited and Midland Publishing Limited joined the Group. The Midland Publishing transport book publishing business was combined with that of Ian Allan Publishing Limited and the former company became dormant. The Midland Counties mail order book distribution activities have enhanced the profitability of Ian Allan Publishing Limited.

In November, Lysaker Travel Management Limited was purchased from the Kvaerner Group. Lysaker operates in the same market as Ian Allan Travel Limited and benefits of scale are anticipated.

Both 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 that there is any significant difference between the market value and net book value of the group's interest in land at 30 November 1999.

**Year 2000**

The directors have identified the key systems and hardware affected by the Year 2000 date problem and have upgraded them accordingly. No problems have been encountered since the date change, and they do not expect any problems to occur in the future in this respect. As this work was funded from existing budgeted resources the costs have not been separately identified. In accordance with company accounting policies, all such costs, except those of a capital nature, have been written off as incurred.

**REPORT OF THE DIRECTORS****Charitable and political contributions**

The Group made charitable contributions during the year of £3,901.

**Directors**

The directors' interests in the capital of the Group at 1 December 1998 and at 30 November 1999 as recorded in the register maintained by the Group in accordance with the provisions of the Companies Act 1985, were as follows:

	30 November 1999		1 December 1998	
	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	-	-	-	-
N.W. Miles	-	-	-	-
A.D. Watkins	-	-	-	-
D.D. Larmuth	-	-	-	-

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 1999 are listed on page 1, except for Mr N.W. Miles, who ceased to be director on 12 January 2000.

Mr D.D. Larmuth resigned as a director on 31 March 1999.

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

**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 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

29 March 2000

## TO THE MEMBERS OF IAN ALLAN GROUP LIMITED

We have audited the financial statements on pages 7 to 28, which have been prepared under the historical cost convention, and the accounting policies set out on pages 13 to 15.

**Respective responsibilities of the directors and auditors**

As described on page 4, the directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**Basis of opinion**

We conducted our audit in accordance with 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.

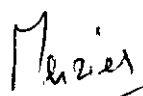
**Qualified opinion arising from disagreement about accounting treatment**

No provision has been made for depreciation of freehold buildings which does not comply with Statement of Standard Accounting Practice No12.

Except for the absence of a provision for depreciation on freehold buildings, 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 1999 of the group profit for the year then ended have been properly prepared in accordance with the Companies Act 1985.

29 March 2000

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 1999

	Notes	1999 £000	1999 £000	1998 £000
<b>Turnover</b>	2			
Continuing operations			47,415	46,957
Acquisitions			2,637	-
			<hr/>	<hr/>
			50,052	46,957
 Cost of sales			 42,264	 40,181
			<hr/>	<hr/>
<b>Gross profit</b>			7,788	6,776
 Operating expenses	2		(7,493)	(6,619)
Other operating income	2		210	269
			<hr/>	<hr/>
<b>Operating profit</b>				
Continuing operations		440		426
Acquisitions		65		-
		<hr/>	505	
 <b>Profit on ordinary activities before exceptional items and interest</b>			<hr/> 505	<hr/> 426
 Exceptional items	3		-	3,122
			<hr/>	<hr/>
<b>Profit on ordinary activities before interest</b>			505	3,548
 Interest receivable	4		53	96
Interest payable	4		(45)	(135)
			<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>	2		513	3,509
 Taxation on profit on ordinary activities	5		161	135
			<hr/>	<hr/>
<b>Profit on ordinary activities after taxation</b>			352	3,374
 Dividends	6		3	604
			<hr/>	<hr/>
<b>Retained profit for the financial year</b>	18		349	2,770
			<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.



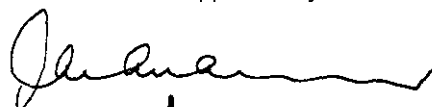
## CONSOLIDATED BALANCE SHEET

30 NOVEMBER 1999

	Notes	1999 £000	1998 £000
<b>Fixed assets</b>			
Intangible assets	9	939	6
Tangible assets	10	11,544	11,446
		<u>12,483</u>	<u>11,452</u>
<b>Current assets</b>			
Stock and work in progress	12	3,490	2,517
Debtors	13	5,442	4,483
Cash at bank		-	2,135
		<u>8,932</u>	<u>9,135</u>
<b>Creditors:</b> amounts falling due within one year	14	6,420	5,955
<b>Net current assets</b>		<u>2,512</u>	<u>3,180</u>
<b>Total assets less current liabilities</b>		<u>14,995</u>	<u>14,632</u>
<b>Creditors:</b> amounts falling due after more than one year	15	350	350
<b>Provisions for liabilities and charges</b>	16	217	203
		<u>14,428</u>	<u>14,079</u>
<b>Capital and reserves</b>			
Called up share capital	17	50	50
Share premium account		79	79
Profit and loss account	18	14,299	13,950
<b>Equity shareholders' funds</b>		<u>14,428</u>	<u>14,079</u>

The financial statements were approved by the Board of Directors on 29 March 2000.

Directors:



E.P. Allan



D.I. Allan

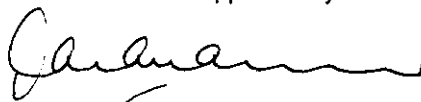
## BALANCE SHEET

30 NOVEMBER 1999

	Notes	1999 £000	1998 £000
<b>Fixed assets</b>			
Tangible assets	10	100	102
Investments	11	2,478	797
		<u>2,578</u>	<u>899</u>
<b>Current assets</b>			
Debtors	13	8,597	7,009
Cash at bank		-	231
		<u>8,597</u>	<u>7,240</u>
<b>Creditors: amounts falling due within one year</b>	14	3,958	833
		<u>4,639</u>	<u>6,407</u>
<b>Net current assets</b>			
		<u>7,217</u>	<u>7,306</u>
<b>Total assets less current liabilities</b>			
<b>Creditors: amounts falling due after more than one year</b>	15	350	350
		<u>6,867</u>	<u>6,956</u>
<b>Capital and reserves</b>			
Called up share capital	17	50	50
Share premium account		79	79
Profit and loss account	18	6,738	6,827
		<u>6,867</u>	<u>6,956</u>
<b>Equity shareholders' funds</b>			
		<u>6,867</u>	<u>6,956</u>

The financial statements were approved by the Board of Directors on 29 March 2000.

Directors:



E.P. Allan



D.I. Allan

## CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 30 NOVEMBER 1999

	Notes	1999 £000	1998 £000
Cash (outflow) inflow from operating activities	a	(1,142)	1,751
Returns on investments and servicing of finance	b	(25)	(57)
Taxation		(102)	(200)
Capital expenditure and financial investment	b	(411)	3,060
Acquisitions and disposals	d		
Purchase of subsidiary undertakings		(1,681)	
Bank balances acquired with subsidiaries		1,277	
		(404)	-
Equity dividends paid		(304)	(302)
Cash (outflow) inflow before use of liquid resources and financing		(2,388)	4,252
Management of liquid resources			
Net movements in short term deposits		1,500	(1,500)
(Decrease) increase in Cash in the period		(888)	2,752
Reconciliation of net cash flow to movements in net (debt) funds			
(Decrease) increase in cash in the period		(888)	2,752
Cash (outflow) inflow from change in liquid resources		(1,500)	1,500
Change in net (debt) funds resulting from cash flows		(2,388)	4,252
Movement in net (debt) funds in the period		(2,388)	4,252
Net debt (funds) at 1 December 1998		2,135	(2,117)
Net (debt) funds at 30 November 1999	c	(253)	2,135

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 30 NOVEMBER 1999

## a Reconciliation of operating profit to operating cash flows

	1999 £000	1998 £000
Operating profit	505	426
Exceptional item	-	3,122
(Increase) decrease in stocks	(303)	105
Decrease in debtors	1,105	104
(Decrease) increase in creditors	(3,157)	722
Increase in provision	35	-
Depreciation and amortisation	706	531
Net profit on disposal of tangible fixed assets	(33)	(3,259)
<b>Net cash inflow from operating activities</b>	<b>(1,142)</b>	<b>1,751</b>

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

	1999 £000	1998 £000
<b>Returns on investments and servicing of finance</b>		
Interest paid	(81)	(150)
Interest received	56	93
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b>(25)</b>	<b>(57)</b>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(558)	(2,324)
Sale of tangible fixed assets	147	5,384
<b>Net cash (outflow) inflow for capital expenditure and financial investment</b>	<b>(411)</b>	<b>3,060</b>

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 30 NOVEMBER 1999

**c Analysis of net (debt) funds**

	At 1 Dec 1998 £000	Cash flow £000	At 30 Nov 1999 £000
Cash at bank and in hand	635	(635)	-
Bank overdraft	-	(253)	(253)
		<hr/> (888)	
Short term deposits	1,500	(1,500)	-
	<hr/> 2,135	<hr/> (2,388)	<hr/> (253)
	<hr/>	<hr/>	<hr/>

**d Purchase of subsidiary undertakings**

	£000
Net assets acquired	
Intangible fixed assets	7
Tangible fixed assets	243
Stocks	670
Debtors	2,067
Cash at bank and in hand	1,308
Creditors	(3,610)
Bank overdraft	(31)
Taxation	(16)
	<hr/> 638
Goodwill	1,043
	<hr/> 1,681
	<hr/>
Satisfied by	
Cash	1,681
	<hr/>

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 1999

**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 1999. 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 £87,000 (1998 - profit of £2,968,000) 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.

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	- 20-25% per annum on cost
Printing presses	- 20% per annum on cost
Telephone systems	- 10% per annum on cost
Other	- 10-20% per annum on net book value

Freehold land and buildings have not been depreciated.

*Goodwill*

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

Goodwill brought forward at 1 December 1995 which had not yet been fully written-down is being amortised over a period of twenty years on a straight line basis as from 1 December 1981.

Goodwill purchased during the financial year ended 30 November 1996 is being amortized over the expected useful life of four years.

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 1999

## 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 Accounting Practice 13.

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

Development costs	- 20% per annum on cost
-------------------	-------------------------

Stocks and Work in Progress

Stocks have been valued, as in previous years at cost and net realisable value, whichever is the lower, less an adjustment to cover wastage, spoilt work, shortages and deteriorated stock in the hands of representatives.

Cost of bringing each product to its present location comprises purchase cost of goods, direct labour and those overheads related to production based on a normal activity level.

Net realisable value is based on estimated selling price.

Consignment stock is recognised in the balance sheet of the Group with a corresponding liability once vehicles are delivered to the Group's premises. Consignment stock held at third party premises is disclosed as a financial commitment.

Turnover

Turnover is the total amount receivable by the Group for goods supplied and services provided, excluding value added tax and trade discounts. In so far as travel facilities are concerned the turnover included in these accounts represents the gross sales effected.

Short term deposits

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

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 1999

## 1. Accounting policies (Continued)

## Pension scheme arrangements

The Group operates defined contribution pension schemes for the benefit of eligible employees and the funds of the schemes are administered by trustees and are separate from the Group funds. Pension costs are charged against profits as are the amount of contributions payable to the pension schemes in respect of the accounting period. The Group also made contributions to the defined benefit and defined contribution pension schemes of Kvaerner Plc for certain of its employees for one month of the year. The costs paid are charged to the profit and loss account as incurred

## Lease and hire purchase commitments

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

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

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

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

## Foreign currencies

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

## Turnover and profit on ordinary activities before taxation

## 2. Turnover was contributed as follows.

	1999 £000	1998 £000
Vehicle sales and servicing	11,043	11,020
Printing, publishing and regalia sales	7,272	5,696
Travel sales	29,824	28,464
Property rentals and other operations	697	676
Horticultural product sales	1,216	1,101
	<hr/>	<hr/>
	50,052	46,957
	<hr/>	<hr/>



## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 1999

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

Turnover and profit on ordinary activities before taxation were contributed by continuing operations as follows.

	1999 Continuing £000	1999 Acquisitions £000	1999 Total £000	1998 Total £000
Turnover	47,415	2,637	50,052	46,957
Cost of sales	40,356	1,908	42,264	40,181
Gross profit	7,059	729	7,788	6,776
Operating expenses				
Distribution	486	-	486	441
Administration	6,340	667	7,007	6,178
Other operating income	207	3	210	269
Operating profit	440	65	505	426

Profit is stated after charging:

	1999 £000	1998 £000
Depreciation and amortisation	706	531
Auditors' remuneration - audit	50	40
Auditors' remuneration - non audit	14	15
Operating lease rentals - plant and machinery	19	22
Operating lease rentals - land and buildings	60	67
and after crediting		
Other operating income		
Other sundry income	177	132
Profit on disposal of other fixed assets	33	137
	210	269

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 1999

## 3. Exceptional items

	1999 £000	1998 £000
Profit on disposal of freehold land and buildings	-	3,122

## 4. Interest

	1999 £000	1998 £000
Interest receivable		
On bank deposit	47	86
Other	6	10
	<u>53</u>	<u>96</u>
Interest payable		
On bank overdraft	2	82
On other loans	43	53
	<u>45</u>	<u>135</u>

## 5. Tax on profit on ordinary activities

	1999 £000	1998 £000
Corporation tax at 29% (1998 - 28.8%)	192	169
Transfer from deferred taxation	(21)	(29)
Adjustment in respect of previous years	(10)	(5)
	<u>161</u>	<u>135</u>

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 1999

## 6. Dividends

	1999 £000	1998 £000
Founders' shares		
Interim dividend paid of £2.86 per share	-	300
Ordinary shares		
Final dividend proposed of 14p per share	3	3
Founders' shares		
Final dividend proposed of £2.86 per share	-	301
Total proposed final dividend	3	304
	3	604

## 7. Staff costs

Staff costs, including directors remuneration, were as follows

	1999 £000	1998 £000
Wages and salaries	4,595	4,145
Social security costs	430	373
Pension costs	95	197
	5,120	4,715

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

	No.	No.
Production	36	32
Sales	126	118
Administrative	88	73
	250	223

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 1999

## 8. Directors

	1999 £000	1998 £000
Remuneration		
All directors		
Aggregate emoluments	496	499
Company pension contributions to money purchase schemes	61	181
Provision for ex-gratia payment on retirement from office	-	30
	<hr/>	<hr/>
Highest paid director		
Aggregate emoluments	130	123
Company pension contributions to money purchase schemes	12	37
	<hr/>	<hr/>
	142	160
	<hr/>	<hr/>
Amount of rights to emoluments waived by three directors	88	843
	<hr/>	<hr/>

Retirement benefits accrued to five directors under money purchase pension schemes during the year (1998 - six).

## Transactions

During the year Mr E.P. Allan received a loan from the company of £11,000 which has been repaid in full. No interest was charged.

At 30 November 1998 and 30 November 1999 an interest free loan of £5,000 was owed to the group by the wife of Mr D.D. Larmuth, a director of the company until 31 March 1999. This was the maximum amount of the loan outstanding during the year.

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 1999

## 9. Intangible fixed assets

## Group

	Goodwill £000	Development costs £000	Other £000	Total £000
Cost				
At 1 December 1998	29	-	141	170
Additions	-	-	1,043	1,043
Subsidiary undertakings acquired	-	36	-	36
	<hr/>	<hr/>	<hr/>	<hr/>
30 November 1999	29	36	1,184	1,249
	<hr/>	<hr/>	<hr/>	<hr/>
Amortisation				
At 1 December 1998	23	-	141	164
Subsidiary undertakings acquired	-	29	-	29
Charge for the year	6	7	104	117
	<hr/>	<hr/>	<hr/>	<hr/>
30 November 1999	29	36	245	310
	<hr/>	<hr/>	<hr/>	<hr/>
Net book amount				
At 30 November 1998	6	-	-	6
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 November 1999	-	-	939	939
	<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 1999

## 10. Tangible fixed assets

Group	Freehold Land and Buildings £000	Short Leasehold Property £000	Vehicles Plant and Equipment £000	Total £000
Cost				
At 1 December 1998	9,609	21	3,750	13,380
Additions	128	-	430	558
Subsidiary undertakings acquired	95	159	279	533
Disposals	(77)	(21)	(453)	(551)
At 30 November 1999	9,755	159	4,006	13,920
Depreciation				
At 1 December 1998	-	21	1,913	1,934
Subsidiary undertakings acquired	-	80	210	290
Charge for the year	-	1	588	589
Released on disposals	-	(21)	(416)	(437)
At 30 November 1999	-	81	2,295	2,376
Net book value				
At 30 November 1998	9,609	-	1,837	11,446
At 30 November 1999	9,755	78	1,711	11,544

All freehold land and buildings are included at historical cost.

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 1999

## 10. Tangible fixed assets (Continued)

Company	Vehicles Plant and Equipment £000
Cost	
At 1 December 1998	255
Additions	79
Disposals	(88)
	<hr/>
At 30 November 1999	246
	<hr/>
Depreciation	
At 1 December 1998	153
Charge for the year	49
Disposals	(56)
	<hr/>
At 30 November 1999	146
	<hr/>
Net book value	
At 30 November 1998	102
	<hr/>
At 30 November 1999	100
	<hr/>

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 1999

## 11. Investments

Company	1999 £000	1998 £000
Shares in group companies		
At 1 December 1998	797	797
Additions	1,681	-
	<hr/>	<hr/>
30 November 1999	2,478	797
	<hr/>	<hr/>

The principal subsidiary undertakings wholly owned by the group at 30 November 1999 are listed below. All the undertakings are registered in England and Wales.

	<u>Nature of business</u>
Ian Allan Publishing Limited	Publishers and booksellers
Midland Counties Publications (Aerophile) 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.

## 12. Stock and work in progress

Group	1999 £000	1998 £000
Work in progress	240	183
New and used motor vehicles	1,125	1,168
Raw materials	64	30
Finished goods	2,061	1,136
	<hr/>	<hr/>
	3,490	2,517
	<hr/>	<hr/>

The above amounts include consignment stock of £251,000 (1998 - £289,000) 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 1999

## 13. Debtors

	Group		Company	
	1999 £000	1998 £000	1999 £000	1998 £000
Trade debtors	4,824	3,950	-	-
Amounts due from group undertakings	-	-	8,423	6,850
Other debtors	311	233	148	147
Prepayments and accrued income	307	300	26	12
	<hr/>	<hr/>	<hr/>	<hr/>
	5,442	4,483	8,597	7,009
	<hr/>	<hr/>	<hr/>	<hr/>

All amounts included above are considered receivable within one year.

## 14. Creditors:

Amounts falling due within one year

	Group		Company	
	1999 £000	1998 £000	1999 £000	1998 £000
Bank overdrafts	253	-	3,560	-
Trade creditors	3,616	2,901	5	5
Amounts due to group undertakings	-	-	185	391
Current corporation tax	192	96	6	-
Social security and other taxes	240	189	91	53
Other creditors	300	696	61	12
Accruals and deferred income	1,816	1,769	47	68
Proposed dividend	3	304	3	304
	<hr/>	<hr/>	<hr/>	<hr/>
	6,420	5,955	3,958	833
	<hr/>	<hr/>	<hr/>	<hr/>

## 15. Creditors:

Amounts falling due after more than one year

	Group		Company	
	1999 £000	1998 £000	1999 £000	1998 £000
Other creditors	350	350	350	350
	<hr/>	<hr/>	<hr/>	<hr/>

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 1999

## 16. Provisions for liabilities and charges

Provision for relocation of distribution and warehousing operations

Group	£000
At 1 December 1998	-
Charge for the year	35
	<hr/>
At 30 November 1999	35
	<hr/>

The provision represents the anticipated costs of relocating the groups book distribution and warehousing operations. Notice was served during the year on the group's current service providers and it is anticipated that the relocation will occur in August 2000.

Deferred taxation

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

Group	Amount provided		Potential liability unprovided	
	1999 £000	1998 £000	1999 £000	1998 £000
Accelerated capital allowances	182	210	-	-
Rolled over gains	-	-	1,380	1,426
Short term timing difference	-	(7)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	182	203	1,380	1,426
	<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 1999.

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

	1999 £	1998 £
At 1 December 1998	203	232
Transfer to corporation tax	(21)	(29)
	<hr/>	<hr/>
At 30 November 1999	182	203
	<hr/>	<hr/>

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 1999

## 17. Called up share capital

	1999 £000	1998 £000
Authorised		
23,750 ordinary shares of £1 each	24	24
105,000 founders shares of 25p each	26	26
	<hr/>	<hr/>
	50	50
	<hr/>	<hr/>
Allotted, called up and fully paid		
23,682 ordinary shares of £1 each	24	24
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.

## 18. Profit and loss account

	Group		Company	
	1999 £000	1998 £000	1999 £000	1998 £000
At 1 December 1998	13,950	11,180	6,827	4,463
Profit (loss) for the financial year	349	2,770	(89)	2,364
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 November 1999	14,299	13,950	6,738	6,827
	<hr/>	<hr/>	<hr/>	<hr/>

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 1999

## 19. Reconciliation of movement in shareholders' funds

	1999 £000	1998 £000
Profit for the financial year	352	3,374
Dividends	3	604
	<hr/>	<hr/>
Opening shareholders' funds	349 14,079	2,770 11,309
	<hr/>	<hr/>
Closing shareholders' funds	14,428	14,079
	<hr/>	<hr/>

## 20. Commitments under operating leases

At 30 November 1999 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	-	15
between one and five years	54	8
after five years	46	-
	<hr/>	<hr/>
	100	23
	<hr/>	<hr/>

## 21. Future capital expenditure

At 30 November 1999 the directors had authorised capital expenditure as follows.

	Group		Company	
	1999 £000	1998 £000	1999 £000	1998 £000
Contracted	-	92	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 1999

**22. 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 1999 of £690,000 (1998 - £467,000).

**23. 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. The Group also contributed to the defined benefit and defined contribution pension schemes of Kvaerner Plc for certain of the Group employees for one month of the year. On 31 January 2000, these employees ceased to be members of those schemes and their accrued pension funds have been transferred to defined contribution schemes operated by the Group. The Group has no unpaid funding liability in respect of these schemes as at 30 November 1999. The Group has contracted to pay pension contributions in respect of these employees up to a rate of 9 per cent of total pensionable salaries up to 3 November 2002.

Group pension costs for 1999 amounted to £90,000 (1998 - £197,000).

**24. Contingent liabilities**

- a. Ian Allan Group Limited has guaranteed the bank borrowings of other companies within the group. At 30 November 1999 the group companies' bank overdrafts guaranteed amounted to £723,000.
- b. The company has guaranteed the borrowing facility provided by Saab Finance Limited to finance the trading stock of the motor company. The value of the finance outstanding at 30 November 1999 was £285,000 (1998 - £136,000).

**25. 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.