

IAN ALLAN GROUP LIMITED

REGISTERED NUMBER 00739567

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 1995

Page	Contents
1	Directors and advisors
2-4	Report of the directors
5	Report of the auditors
6	Consolidated balance sheet
7	Balance sheet
8	Consolidated profit and loss account
9	Consolidated cash flow statement
10-11	Notes to the cash flow statement
12-28	Notes to the financial statements



DIRECTORS AND ADVISORS

CHAIRMAN

Ian Allan

DIRECTORS

M.E. Allan  
D.I. Allan  
E.P. Allan  
G.S. Allan  
J.B. Allan  
N.W. Miles

SECRETARY

D.A. Hart

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

## REPORT OF THE DIRECTORS

## FINANCIAL STATEMENTS

The directors submit their report and the audited financial statements for the year ended 30 November 1995.

## 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, manufacturing and marketing civic and military regalia, and the marketing of seeds and seaweed based horticultural products.

On 30th March 1995 the Broadway Hotel business was disposed of.

Turnover of the continuing activities decreased in the year by £787,959 to £28,975,929, and gross profit declined by £296,609 to £7,422,360. Other operating income increased by £42,328 to £121,041.

Distribution costs fell by £58,456 to £520,288, whilst administrative expenses rose by £260,947 to £6,923,870. The major items contributing to this increase were additional depreciation of leasehold properties, write offs arising from the change of book distributors and additional contributions to the pension fund.

The sale of the Broadway Hotel business generated £331,027.

The resulting profit before taxation of £245,556 compared with £312,312 in the previous year.

The year brought a reduction in profits from the motor company following the closure of one garage site. The directors expect that alternative premises will be acquired during 1996. The disappointing results of the printing company are a matter of concern to the directors and action will be taken to improve performance in that area. It is expected that the improvements achieved in regalia and horticultural products will be maintained.

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

## PROFITS AND DIVIDEND

	£
The profit for the year after taxation amounted to	255,551
It is recommended that this amount is dealt with as follows:	
Proposed dividend	<u>2,652</u>
Attributable profit for the year after taxation and dividend	252,899
To which must be added:	
Balance brought forward from last year	<u>10,443,482</u>
Leaving a balance to be carried forward of	<u>10,696,381</u>

## REPORT OF THE DIRECTORS

## FIXED ASSETS

During the year the Group incurred expenditure on fixed assets amounting to £565,102 of which £776,343 related to freehold property and £543,140 to vehicles, plant and equipment.

In the opinion of the directors the market value of the freehold and leasehold properties at 30th November 1995 was not less than the amount shown in the financial statements at that date.

## CHARITABLE AND POLITICAL CONTRIBUTIONS

The Group made contributions during the year of the following amounts:

Charitable purposes	£2,287
---------------------	--------

## DIRECTORS

The directors' interests in the capital of the Group at 1 December 1994 and at 30 November 1995 as recorded in the register maintained by the Group in accordance with the provisions of the Companies Act 1985, were as follows:

	30 November 1995		1 December 1994	
	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	13,600	6,407	13,600
E.P. Allan	6,407	13,600	6,407	13,600
G.S. Allan	-	-	-	-
J.B. Allan	-	-	-	-
N.W. Miles	-	-	-	-

In addition D.I. Allan and his family and E.P. Allan and his family each have an interest in 38,900 founders shares and 5,281 ordinary shares by being beneficiaries of settlements.

Partners in Menzies are trustees of settlements holding 51,025 founders shares and 3,622 ordinary shares in the company.

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

## REPORT OF THE DIRECTORS

## 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.

## 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

11 March 1996

**TO THE MEMBERS OF IAN ALLAN GROUP LIMITED**

We have audited the financial statements on pages 8 to 30, which have been prepared under the historical cost convention, and the accounting policies set out on pages 14 to 16.

**Respective responsibilities of the directors and auditors**

As described on page 6, 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.

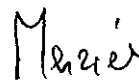
**Qualified opinion arising from disagreement about accounting treatment**

No provision has been made for depreciation of freehold buildings which does not comply with Statement of Standard Accounting Practice No 12.

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 of the group's affairs at 30th November 1995 and of the group profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

11 March 1996

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



**Menzies**  
Chartered Accountants and  
Registered Auditor

## CONSOLIDATED BALANCE SHEET

30 NOVEMBER 1995

	Notes	1995		1994	
		£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	2		1,960		2,291
Tangible assets	3		10,068,168		9,480,182
Investments	4		1,595		1,595
			10,071,723		9,484,068
<b>CURRENT ASSETS</b>					
Stocks	5	4,343,970		4,693,251	
Debtors	6	3,903,770		3,899,202	
Cash at bank and in hand		3,043,462		2,615,774	
			11,291,202		11,208,227
CREDITORS: amounts falling due within one year	7	10,156,322		9,754,799	
NET CURRENT ASSETS			1,134,880		1,453,428
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
			11,206,603		10,937,496
<b>CREDITORS: amounts falling due after one year</b>					
	8	87,675		58,025	
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>					
	10	293,815		307,257	
			381,490		365,282
			10,825,113		10,572,214
<b>CAPITAL AND RESERVES</b>					
Called up share capital	11		49,932		49,932
Share premium account			78,800		78,800
Profit and loss account	12		10,696,381		10,443,482
EQUITY SHAREHOLDERS FUNDS			10,825,113		10,572,214

The financial statements were approved by the Board of Directors on 11 March 1996.

DIRECTORS

E.P. ALLAN

I. ALLAN

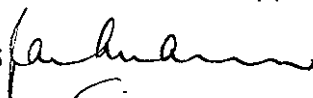
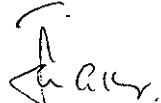
## BALANCE SHEET

30 NOVEMBER 1995

	Notes	£	1995 £	£	1994 £	£
FIXED ASSETS						
Tangible assets	3		36,619		50,152	
Investments	4		703,108		703,108	
				739,727		753,260
CURRENT ASSETS						
Debtors	6	7,983,987		7,213,348		
			7,983,987		7,213,348	
CREDITORS: amounts falling due within one year	7	4,147,881		3,579,928		
NET CURRENT ASSETS			3,836,106		3,633,420	
TOTAL ASSETS LESS CURRENT LIABILITIES			4,575,833		4,386,680	
CAPITAL AND RESERVES						
Called up share capital	11		49,932		49,932	
Share premium account			78,800		78,800	
Profit and loss account	12		4,447,101		4,257,948	
EQUITY SHAREHOLDERS FUNDS			4,575,833		4,386,680	

The financial statements were approved by the Board of Directors on 11 March 1996.

DIRECTORS

E.P. ALLAN

I. ALLAN



## CONSOLIDATED PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 NOVEMBER 1995

	Notes	Continuing Operations 1995 £	Discontinued Operations 1995 £	Total 1995 £	Total 1994 £
TURNOVER	14	28,975,929	71,306	29,047,235	29,818,905
Cost of sales		21,553,569	28,010	21,581,579	22,063,596
GROSS PROFIT		7,422,360	43,296	7,465,656	7,755,309
Operating expenses	14	(7,444,158)	(90,840)	(7,534,998)	(7,337,405)
Other operating income	14	121,041	-	121,041	79,051
OPERATING PROFIT (LOSS)		99,243	(47,544)	51,699	496,955
Profit on disposal of Broadway Hotel business		-	331,027	331,027	-
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		99,243	283,483	382,726	496,955
Income from investments	15			150	140
Interest payable	16			(137,320)	(184,783)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	14			245,556	312,312
Taxation on profit on ordinary activities	17			9,995	(85,113)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION				255,551	227,199
Proposed final dividend				(2,652)	(2,652)
RETAINED PROFIT FOR THE FINANCIAL YEAR				252,899	224,547

The Group has no recognised gains or losses other than the profit for the financial years detailed above.

## CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 30 NOVEMBER 1995

	Notes	1995 £	1994 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	a	346,536	1,561,153
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Dividends paid		(2,652)	(2,652)
Income received		150	140
Interest paid		(136,432)	(192,413)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(138,934)	(194,925)
TAXATION			
Corporation tax paid		(110,875)	(73,791)
INVESTING ACTIVITIES		(110,875)	(73,791)
Payments to acquire tangible fixed assets		(594,483)	(541,835)
Receipts from sales of tangible fixed assets		711,298	36,900
Purchase of subsidiary undertaking		-	(4)
Net liabilities acquired on purchase of subsidiary undertaking	d	-	(42,816)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		116,815	(547,755)
INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	b,c	213,542	744,682

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 30 NOVEMBER 1995

## a RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	1995 £	1994 £
Operating profit	51,699	496,955
Decrease(increase) in stocks	349,281	181,558
Decrease(increase) in debtors	22,442	110,854
(Decrease)increase in creditors	(439,609)	413,199
Depreciation and amortisation	366,072	370,848
Net (profit)loss on sale of tangible fixed assets	(3,349)	(12,261)
	<hr/>	<hr/>
NET CASH INFLOW FROM OPERATING ACTIVITIES	346,536	1,561,153
	<hr/>	<hr/>

## b ANALYSIS OF CHANGES IN CASH BALANCES DURING THE YEAR

	1995 £	1994 £
At 1 December 1994	(2,013,011)	(2,757,693)
Net cash inflow	213,542	744,682
	<hr/>	<hr/>
At 30 November 1995	(1,799,469)	(2,013,011)
	<hr/>	<hr/>

## c ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

	1995 £	1994 £	Change in year 1995 £	Change in year 1994 £
Cash at bank and in hand	3,043,462	2,615,774	427,688	1,056,553
Bank overdrafts	(4,842,931)	(4,628,785)	(214,146)	(311,871)
	<hr/>	<hr/>	<hr/>	<hr/>
	(1,799,469)	(2,013,011)	213,542	744,682
	<hr/>	<hr/>	<hr/>	<hr/>

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 30 NOVEMBER 1995

## d PURCHASE OF SUBSIDIARY UNDERTAKING

The group acquired the entire issued share capital of The Abbots Hotel Company Limited on 1 October 1994 for a consideration of £4. The total net liabilities of that company on that date were valued at £42,816. These liabilities are immaterial to the group accounts and have not been itemised in the note below.

	1995 £	1994 £
Net liabilities acquired	-	(42,816)
Goodwill	-	42,820
	<hr/>	<hr/>
	-	4
	<hr/>	<hr/>
Satisfied by:		
Cash	-	4
	<hr/>	<hr/>

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 1995

## 1. ACCOUNTING POLICIES

The principal accounting policies of the Group have remained unchanged from the previous year and are set out below. In certain instances comparative figures have been amended from the 1994 published accounts to compare with the 1995 disclosure.

## 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 1995. 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 £191,805 (1994 - £7,503) 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 over their estimated useful lives at the following rates.

Leasehold property	- on a straight line basis over the term of the lease
Motor vehicles	- 25% per annum on cost
Plant and equipment:	
Computers and computer based equipment	- 20-25% per annum on cost
Printing presses and telephone systems	- 10% per annum on cost
Other	- 10-20% per annum on net book value

Freehold land and buildings have not been depreciated.

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 1995

## 1. ACCOUNTING POLICIES (Continued)

## Goodwill

Goodwill on the acquisition of subsidiary undertakings is written off to reserves in the year of acquisition.

Goodwill 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.

## 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 less further costs expected to be incurred on completion.

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 an other commitment.

## Turnover

Turnover is the total amount receivable by the Group for goods supplied and services provided, excluding value added tax and trade discounts.

## 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.

## Lease and hire purchase commitments

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

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

## NOTES TO THE FINANCIAL STATEMENTS

## YEAR ENDED 30 NOVEMBER 1995

## 1. ACCOUNTING POLICIES (Continued)

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.

## 2. INTANGIBLE FIXED ASSETS

	Goodwill £	Trademarks and Patents £	Other £	Total £
<b>COST</b>				
At 1 December 1994	33,458	60	141,130	174,648
Disposals	(30,000)	-	-	(30,000)
30 November 1995	3,458	60	141,130	144,648
<b>AMORTISATION</b>				
At 1 December 1994	31,169	58	141,130	172,357
Charge for the year	330	-	-	330
Released on disposals	(29,999)	-	-	(29,999)
At 30 November 1995	1,500	58	141,130	142,688
<b>NET BOOK AMOUNT</b>				
At 30 November 1994	2,289	2	-	2,291
At 30 November 1995	1,958	2	-	1,960

"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 1995

## 3. TANGIBLE FIXED ASSETS

GROUP	Freehold Land and Buildings £	Lease- -hold Property £	Vehicles Plant and Equipment £	Total £
COST				
At 1 December 1994	8,199,599	132,104	3,854,013	12,185,716
Additions	787,509	-	543,140	1,330,649
Disposals	(281,274)	(36,616)	(702,091)	(1,019,981)
At 30 November 1995	8,705,834	95,488	3,695,062	12,496,384
DEPRECIATION				
At 1 December 1994	-	82,547	2,622,987	2,705,534
Charge for the year	-	36,028	329,714	365,742
Released on disposals	-	(36,616)	(606,444)	(643,060)
At 30 November 1995	-	81,959	2,346,257	2,428,216
NET BOOK VALUE				
At 30 November 1994	8,199,599	49,557	1,231,026	9,480,182
At 30 November 1995	8,705,834	13,529	1,348,805	10,068,168

Details of fixed assets held under finance leases and hire purchase contracts, which are included above, are as follows

	1995 £	1994 £
Net book value at 30 November 1995	30,447	58,321
Depreciation charge for the year	5,373	10,292



## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 1995

## 3. TANGIBLE FIXED ASSETS (Continued)

COMPANY	Vehicles Plant and Equipment £
<b>COST</b>	
At 1 December 1994	206,253
Additions	12,886
Disposals	(79,033)
	<hr/>
At 30 November 1995	140,106
	<hr/>
<b>DEPRECIATION</b>	
At 1 December 1994	156,101
Charge for the year	17,751
Released on disposals	(70,365)
	<hr/>
At 30 November 1995	103,487
	<hr/>
<b>NET BOOK VALUE</b>	
At 30 November 1994	50,152
	<hr/>
At 30 November 1995	36,619
	<hr/>

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 1995

## 4. INVESTMENTS

	GROUP			
	1995		1994	
	Listed £	Unlisted £	Listed £	Unlisted £
At 1 December 1994	1,594	1	1,594	1
Additions	-	-	-	-
Write down of investments	-	-	-	-
Disposals	-	-	-	-
At 30 November 1995	1,594	1	1,594	1

The listed investments are all stated at cost.

The unlisted investment represents one Class U Common Stock of SRG International GIE. In the opinion of the directors the valuation is fairly stated at £1.

The market value of the investments held at 30 November 1995 amounted to £5,334 (1994 - £3,918).

## COMPANY

	Associated undertakings	
	1995 £	1994 £
At 1 December 1994	703,108	703,104
Additions	-	4
At 30 November 1995	703,108	703,108

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 1995

## 4. INVESTMENTS (Continued)

At 30th November 1995 the group wholly owned the following undertakings all registered in England and Wales. The subsidiaries listed were held directly by Ian Allan Group Limited unless otherwise indicated, and had been held throughout the year.

	<u>Nature of business</u>
Ian Allan Limited	Publishers
Ian Allan Motors Limited	Car sales and service
Ian Allan Regalia Limited	Regalia
Ian Allan Travel Limited	Business travel managers
Ian Allan (Printing) Limited	Printers
Ian Allan (Hotels) Limited	Hoteliers
Ian Allan (Miniature Railway Supplies) Limited	Miniature railway operator
Tennay Properties Limited	Property managers
Chase Organics (Great Britain) Limited	Horticultural products
The Abbots Hotel Company Limited	Not trading
Specialist Book Sales Limited	Dormant
Modern Transport Publishing Company Limited	Dormant
Railway World Limited (held by a subsidiary company)	Dormant
The Locomotive Publishing Company Limited	Dormant
Shepperton Metal Products Limited	Dormant
Contessa Travel Limited	Dormant

## 5. STOCK AND WORK IN PROGRESS

	GROUP	
	1995 £	1994 £
Work in progress	392,244	303,559
New and used motor vehicles	1,701,094	2,050,948
Consumables	-	7,623
Raw materials	186,403	159,097
Finished goods	2,064,229	2,172,024
	<hr/>	<hr/>
	4,343,970	4,693,251
	<hr/>	<hr/>

The above amounts include consignment stock of £255,344 (1994 - £598,854) 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 1995

## 6. DEBTORS

	GROUP		COMPANY	
	1995 £	1994 £	1995 £	1994 £
Trade debtors	3,066,780	3,348,820	-	-
Amounts due from group undertakings	-	-	7,819,417	7,059,391
Other debtors	534,294	333,619	144,896	146,745
Prepayments and accrued income	274,929	216,006	19,674	6,549
Corporation tax repayable	27,767	757	-	663
	<u>3,903,770</u>	<u>3,899,202</u>	<u>7,983,987</u>	<u>7,213,348</u>

Included within other debtors are amounts of £8,989 (1994 - nil) which are considered receivable after more than one year.

## 7. CREDITORS: amounts falling due within one year

	GROUP		COMPANY	
	1995 £	1994 £	1995 £	1994 £
Bank overdrafts	4,842,931	4,628,785	2,584,597	2,029,047
Net obligations under finance leases and hire purchase contracts	15,465	32,665	-	-
Trade creditors	2,868,100	3,275,595	7,537	-
Amounts due to group undertakings	-	-	1,311,266	1,335,261
Current corporation tax	24,236	104,654	1,443	6,441
Social security and other taxes	357,876	285,661	148,591	50,390
Other creditors	280,800	367,838	37,157	90,333
Fixed asset accrual	736,166	-	-	-
Accruals and deferred income	1,028,096	1,056,949	54,638	65,804
Proposed dividend	2,652	2,652	2,652	2,652
	<u>10,156,322</u>	<u>9,754,799</u>	<u>4,147,881</u>	<u>3,579,928</u>

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 1995

## 8. CREDITORS: amounts falling due after one year

	GROUP	
	1995 £	1994 £
Net obligations under finance leases and hire purchase contracts	14,475	58,025
Other creditors	73,200	-
	<hr/>	<hr/>
	87,675	58,025
	<hr/>	<hr/>

## 9. LEASE COMMITMENTS AND HIRE PURCHASE CONTRACTS

Net obligations under finance leases and hire purchase contracts

	GROUP	
	1995 £	1994 £
Within one year	15,465	32,665
Between two and five years	14,475	58,025
	<hr/>	<hr/>
	29,940	90,690
	<hr/>	<hr/>

The obligations under finance leases and hire purchase contracts are repayable by instalments.

## NOTES TO THE FINANCIAL STATEMENTS

## YEAR ENDED 30 NOVEMBER 1995

## 10. PROVISIONS FOR LIABILITIES AND CHARGES

## Deferred taxation

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

GROUP	Amount provided		Potential liability unprovided	
	1995 £	1994 £	1995 £	1994 £
Accelerated capital allowances	303,754	316,903	-	-
Rolled over gain	-	-	1,223,305	1,378,165
Short term timing difference	(9,939)	(9,646)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	293,815	307,257	1,223,305	1,378,165
	<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 1995. 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

	1995 £	1994 £
At 1 December 1994	307,257	329,068
Transfer to corporation tax	(13,442)	(21,811)
	<hr/>	<hr/>
At 30 November 1995	293,815	307,257
	<hr/>	<hr/>

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 1995

## 11. CALLED UP SHARE CAPITAL

	1995 £	1994 £
Authorised		
23,750 ordinary shares of £1 each	23,750	23,750
105,000 founders shares of 25p each	26,250	26,250
	<hr/>	<hr/>
	50,000	50,000
	<hr/>	<hr/>
Allotted, called up and fully paid		
23,682 ordinary shares of £1 each	23,682	23,682
105,000 founders shares of 25p each	26,250	26,250
	<hr/>	<hr/>
	49,932	49,932
	<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.

## 12. PROFIT AND LOSS ACCOUNT

	GROUP		COMPANY	
	1995 £	1994 £	1995 £	1994 £
At 1 December 1994	10,443,482	10,261,755	4,257,948	4,253,547
Profit for the financial year	252,899	224,547	189,153	4,401
Goodwill acquired during the year	-	(42,820)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 November 1995	10,696,381	10,443,482	4,447,101	4,257,948
	<hr/>	<hr/>	<hr/>	<hr/>

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 1995

## 13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	1995 £	1994 £
Profit for the financial year	255,551	227,199
Goodwill acquired during the year	-	(42,820)
Dividends	(2,652)	(2,652)
	<hr/>	<hr/>
Opening shareholders' funds	252,899 10,572,214	181,727 10,390,487
	<hr/>	<hr/>
Closing shareholders' funds	10,825,113	10,572,214
	<hr/>	<hr/>

## 14. TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Group turnover represents the total amount receivable for goods sold and services rendered to outside customers during the year. In so far as travel facilities are concerned the turnover included in these accounts represents the commission earned and not the value of gross sales effected.

Turnover and profit on ordinary activities before taxation were contributed as follows

	Turnover		Profit (Loss)	
	1995 £	1994 £	1995 £	1994 £
Vehicle sales and servicing	19,383,181	20,087,404	26,905	77,864
Printing and publishing sales	4,820,551	5,290,277	(471,584)	(138,418)
Regalia sales	1,937,610	1,744,738	24,920	(50,155)
Travel commission	1,487,549	1,425,540	158,327	200,203
Property rentals	470,455	440,246	151,814	251,077
Horticultural product sales	858,024	757,376	59,885	(12,606)
Miniature railway, hotel and other operations	89,865	73,324	295,289	(15,653)
	<hr/>	<hr/>	<hr/>	<hr/>
	29,047,235	29,818,905	245,556	312,312
	<hr/>	<hr/>	<hr/>	<hr/>



## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 1995

## 14. TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION (cont.)

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

	Continuing	1995 Discont- inued	Total	Continuing	1994 Discont- inued	Total
	£	£	£	£	£	£
Turnover	28,975,929	71,306	29,047,235	29,763,888	55,017	29,818,905
Cost of sales	21,553,569	28,010	21,581,579	22,044,919	18,677	22,063,596
Operating expenses						
Distribution	520,288	-	520,288	578,744	-	578,744
Administration	6,923,870	90,840	7,014,710	6,662,923	95,738	6,758,661
Other operating income	121,041	-	121,041	78,713	338	79,051
Operating profit (loss)	99,243	(47,544)	51,699	556,015	(59,060)	496,955

Profit is stated after charging:

	1995 £	1994 £
Hire of equipment	70,854	43,652
Depreciation and amortisation	366,072	370,848
Directors' emoluments	360,498	402,725
Auditors' remuneration - audit	50,511	45,416
Auditors' remuneration - non audit	18,800	16,900

and after crediting

## OTHER OPERATING INCOME

Interest receivable	16,085	29,274
Other sundry income	104,956	49,777
	121,041	79,051

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 1995

## 15. INVESTMENT INCOME

	1995 £	1994 £
Income from listed investments	150	140

## 16. INTEREST PAYABLE

	1995 £	1994 £
On bank overdrafts and other loans wholly repayable within five years		
Bank overdraft	101,978	139,133
Finance lease and hire purchase contracts repayable by instalments	9,323	7,956
Stock financing	18,137	32,149
On loans not repayable by instalments	7,882	5,545
	137,320	184,783

## 17. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1995 £	1994 £
Corporation tax at 25% (1994 - 25%-33%)	1,520	(110,343)
Transfer from deferred taxation	13,442	21,811
Adjustment in respect of previous years	(4,967)	3,419
	9,995	(85,113)

Included within the taxation credit above is a credit of £27,261 relating to the discontinued activity.

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 1995

## 18. STAFF COSTS

Staff costs, including directors remuneration, were as follows

	1995 £	1994 £
Wages and salaries	4,688,977	4,523,072
Social security costs	448,745	419,848
Pension costs	132,569	98,726
	<hr/>	<hr/>
	5,270,291	5,041,646
	<hr/>	<hr/>

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

	1995 No.	1994 No.
Production	44	52
Sales	139	149
Administrative	114	117
	<hr/>	<hr/>
	297	318
	<hr/>	<hr/>

## 19. DIRECTORS' EMOLUMENTS

Details of directors' emoluments, excluding pension contributions, are as follows.

	1995 £	1994 £
The Chairman	20,280	16,249
	<hr/>	<hr/>
The highest paid director	78,020	82,385
	<hr/>	<hr/>
Amount of rights to emoluments waived by three directors	63,888	56,800
	<hr/>	<hr/>

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 1995

## 19. DIRECTORS' EMOLUMENTS (Continued)

Emoluments of the other directors fell within the following bands

	1995 No.	1994 No.
£0 to £5,000	1	-
£5,001 to £10,000	-	1
£10,001 to £15,000	1	1
£30,001 to £35,000	1	2
£35,001 to £40,000	1	-
£75,001 to £80,000	1	2

## 20. COMMITMENTS UNDER OPERATING LEASES

During the year £159,388 (1994: £106,694) was charged to the profit and loss account in respect of operating leases. At 30th November 1995 the company was committed to making the following payments under operating leases over the following twelve months.

	Land and Buildings £	Other Assets £
Contracts to expire		
within one year	-	23,283
between one and five years	23,000	34,739
after five years	44,945	-
	<hr/>	<hr/>
	67,945	58,022
	<hr/>	<hr/>

## 21. FUTURE CAPITAL EXPENDITURE

At 30 November 1995 the directors had authorised capital expenditure as follows

	GROUP		COMPANY	
	1995	1994	1995	1994
	£	£	£	£
Contracted	5,467	12,000	-	-
Not contracted	-	52,000	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 1995

## 22. OTHER 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 30th November 1995 of £470,535 (1994: £505,952).

## 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. Costs for 1995 amounted to £132,569 (1994 - £98,726).

## 24. CONTINGENT LIABILITIES

- a) There is a liability to repay a £22,000 capital grant received from a motor car manufacturer should that particular franchise cease to be retained within three years of the dealer agreement being signed.
- b) Ian Allan Group Limited has guaranteed the bank borrowings of other companies within the group.