

VFM ASSOCIATES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 OCTOBER 2004
COMPANY NUMBER 2737626 (ENGLAND & WALES)

DIX VOGAN LIMITED
CHARTERED ACCOUNTANTS



VFM ASSOCIATES LIMITED

REGISTERED OFFICE

5 Bramley's Barn
The Menagerie
Escrick
York
YO19 6EH

COMPANY REGISTRATION NUMBER

2737626

DIRECTORS

I E J Fairbairn
M J Grimshaw

SECRETARY

I E J Fairbairn

AUDITORS

Dix Vogan Limited
2 Chancery Lane
Wakefield
WF1 2SS

BANKERS

Lloyds Bank Plc
17 Westgate
Wakefield
West Yorkshire
WF1 1JZ

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2004

The directors present their report and financial statements for the year ended 31 October 2004.

Principal activity

The company's principal activity throughout the year continued to be the provision of training courses for clients in the business and retail sector.

Statement of 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 company and of the profit or loss of the company 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;
- prepare financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in business.

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

Directors

The directors who served throughout the year, together with details of their interests in the company's share capital at 31 October 2004 and 31 October 2003 were as follows:

	Number of shares	
	At 31.10.04	At 31.10.03
I E J Fairbairn	400	400
M J Grimshaw	200	200

P Ceci resigned as a director of the company on 31 March 2004.

Auditors

In accordance with section 384 of the Companies Act 1985, a resolution to re-appoint Dix Vogan Limited as auditors will be put to the Annual General Meeting.

Small company rules

This report, which has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies, was approved by the board on 17 December 2004 and signed on its behalf.

IF 

I E J Fairbairn
Director

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
VFM ASSOCIATES LIMITED**

We have audited the financial statements of VFM Associates Limited for the year ended 31 October 2004 on pages 3 to 8. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out on page 5.

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

Respective responsibilities of directors and the auditors

As described in the Statement of Directors' Responsibilities on page 1 the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 information specified by law regarding directors' remuneration and transactions with the company 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.

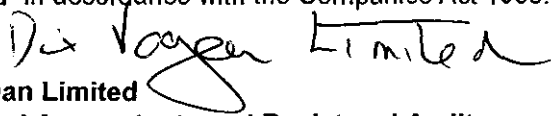
Basis of audit opinion

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 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 as at 31 October 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Dix Vogan Limited
Chartered Accountants and Registered Auditors

2 Chancery Lane
Wakefield
WF1 2SS

17 January 2005.

VFM ASSOCIATES LIMITED**3.****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 OCTOBER 2004**

	Note	2004 £	2003 £
Turnover	2	829,759	723,640
Cost of sales		(563,511)	(432,956)
Gross profit		266,248	290,684
Administrative expenses		(93,023)	(90,985)
Profit on ordinary activities before interest	3	173,225	199,699
Interest receivable		416	356
Interest payable		-	(6)
Profit on ordinary activities before taxation		173,641	200,049
Taxation	4	(33,064)	(38,065)
Profit on ordinary activities after taxation		140,577	161,984
Dividend proposed		(100,000)	(130,000)
Dividend paid		-	(20,000)
Retained profit for the year		40,577	11,984
Retained profit brought forward		33,365	21,381
Retained profit carried forward		73,942	33,365

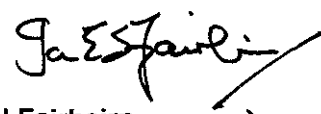
The notes on pages 5 to 8 form part of these financial statements.

BALANCE SHEET AS AT

31 OCTOBER 2004

	Note	2004		2003	
		£	£	£	£
Fixed assets					
Tangible assets	5		29,345		31,254
Current assets					
Work in progress		-		24,844	
Debtors	6	218,931		224,300	
Cash at bank		40,739		6,184	
		-----		-----	
		259,670		255,328	
Creditors: Amounts falling due within one year	7	209,819		247,255	
		-----		-----	
Net current (liabilities) assets			49,851		8,073
			-----		-----
Total assets less current liabilities			79,196		39,327
			-----		-----
Provisions for liabilities and charges					
Deferred tax	8		(4,254)		(4,962)
			-----		-----
			74,942		34,365
			-----		-----
Capital and reserves					
Called up share capital	9		1,000		1,000
Profit and loss account			73,942		33,365
			-----		-----
Shareholders' funds - all equity			74,942		34,365
			-----		-----

The financial statements, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies were approved by the board on 17 December 2004 and signed on its behalf.


 I E J Fairbairn
 Director

The notes on pages 5 to 8 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2004

1. ACCOUNTING POLICIES

- a. These financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The company has taken advantage of the exemption in Financial Reporting Standard Number 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

- b. Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their estimated useful lives on the following bases:

Fixtures and fittings	15% per annum reducing balance
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- c. Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.
- d. Provision is made at current rates for taxation deferred in respect of material timing differences, except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not crystallise in the foreseeable future.
- e. The company operates a defined contribution pension scheme and the pension charge of £6,929 (2003: £7,313) represents the amounts payable by the company to the fund in respect of the year.

2. TURNOVER

In the year ended 31 October 2004 9.39% (2003: 12.5%) of the company's turnover was to customers outside the United Kingdom.

3. PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST

The profit on ordinary activities before interest is stated after charging:

	2004 £	2003 £
Depreciation of tangible fixed assets		
- owned by the company	7,991	2,813
Operating leases - property	12,642	10,080
Directors' emoluments (excluding pension contributions)	125,073	143,589
Directors' pension contributions	5,223	5,356
Auditors' remuneration	2,505	1,954
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2004

4. TAXATION

	2004 £	2003 £
Corporation tax	33,772	35,732
Deferred tax	(708)	2,333
	<u>33,064</u>	<u>38,065</u>

5. FIXED ASSETS

Tangible fixed assets

	Total £
Cost:	
At 1 November 2003	50,866
Additions	6,082
	<u>56,948</u>
At 31 October 2004	
Accumulated depreciation:	
At 1 November 2003	19,612
Charge for the year	7,991
	<u>27,603</u>
At 31 October 2004	
Net book value:	
At 31 October 2004	<u>29,345</u>
At 31 October 2003	<u>31,254</u>

6. DEBTORS

	2004 £	2003 £
Trade debtors	168,891	216,379
Other debtors and prepayments	50,040	7,921
	<u>218,931</u>	<u>224,300</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2004

7. CREDITORS: amounts falling due within one year

	2004 £	2003 £
Trade creditors	27,013	23,574
Corporation tax	33,772	35,740
Other taxes and social security costs	15,670	25,454
Other creditors and accruals	133,364	162,487
	-----	-----
	209,819	247,255
	-----	-----

8. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation

	£
Balance at 1 November 2003	4,962
Credit for the year	(708)

Balance at 31 October 2004	4,254

The balance at 31 October 2004 and at 31 October 2003 is made up of accelerated capital allowances. There was no amount not provided for at either date.

9. CALLED UP SHARE CAPITAL

	2004 £	2003 £
Authorised:		
10,000 Ordinary shares of £1 each	10,000	10,000
	-----	-----
Allotted, issued and fully paid up:		
1,000 Ordinary shares of £1 each	1,000	1,000
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10. FINANCIAL COMMITMENTS

Operating lease commitments

At 31 October 2004 the company had an annual commitment of £16,400 (2003: £10,080) under a non-cancellable operating lease for the premises from which it operates. The lease expires after more than one year and less than five years from the balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2004**

11. RELATED PARTIES

No one person controls the company.