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VFM ASSOCIATES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 OCTOBER 2001
COMPANY NUMBER 2737626 (ENGLAND & WALES)

DIX VOGAN LIMITED
CHARTERED ACCOUNTANTS



DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2001

The directors present their report and financial statements for the year ended 31 October 2001.

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 2001 and 31 October 2000 were as follows:

	Number of shares	
	At 31.10.01	At 31.10.00
P Ceci	400	450
I E J Fairbairn	400	450
M J Grimshaw	200	100

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 10 December 2001 and signed on its behalf.

Peter Ceci
Director



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

We have audited the financial statements on pages 3 to 9 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000) under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and the auditors

As described on page 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an 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 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 2001 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

Dix Voga Limited

**Chartered Accountants and
Registered Auditors**

2 Chancery Lane
Wakefield
WF1 2SS

10 December 2001

VFM ASSOCIATES LIMITED**3.****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 OCTOBER 2001**

	Note	2001 £	2000 £
Turnover	2	313,639	304,235
Cost of sales		(222,752)	(208,259)
Gross profit		90,887	95,976
Administrative costs		(85,891)	(89,201)
Profit on ordinary activities before interest	3	4,996	6,775
Interest payable	4	(2,731)	(2,732)
Profit on ordinary activities before taxation		2,265	4,043
Taxation	5	(1,188)	(983)
Profit on ordinary activities after taxation		1,077	3,060
Retained profit brought forward		25,333	22,273
Retained profit carried forward		26,410	25,333

There were no recognised gains or losses in 2001 or 2000 other than those included in the profit and loss account.

The notes on pages 5 to 9 form part of these financial statements.

BALANCE SHEET AS AT

31 OCTOBER 2001

	Note	2001 £	2000 £
Fixed assets			
Tangible assets	6	39,867	54,104
Current assets			
Debtors	7	46,944	59,430
Cash at bank		14,391	-
		<u>61,335</u>	<u>59,430</u>
Creditors: Amounts falling due within one year	8	<u>70,948</u>	<u>73,464</u>
Net current liabilities		(9,613)	(14,034)
Total assets less current liabilities		<u>30,254</u>	<u>40,070</u>
Creditors: Amounts falling due after more than one year	9	<u>(2,844)</u>	<u>(13,737)</u>
		<u>27,410</u>	<u>26,333</u>
Capital and reserves			
Called up share capital	11	1,000	1,000
Profit and loss account		26,410	25,333
Shareholders' funds - all equity		<u>27,410</u>	<u>26,333</u>

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 10 December 2001 and signed on its behalf.

Peter Ceci
Director



The notes on pages 5 to 9 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2001

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 March 2000).

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:

Motor vehicles	25% per annum straight line
Fixtures and fittings	15% per annum reducing balance

- c. Assets being acquired under hire purchase contracts and finance leases are capitalised at their fair value and written down to their estimated residual value over their estimated useful life in accordance with the company's policy for tangible fixed assets. The interest portions of the instalments are charged to the profit and loss account in the period in which they fall due.
- d. 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.
- e. 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.
- f. The company operates a defined contribution pension scheme and the pension charge of £4,930 (2000: £4,504) represents the amounts payable by the company to the fund in respect of the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2001

2. TURNOVER

In the years ended 31 October 2001 and 31 October 2000 all of the company's turnover was to customers in the United Kingdom.

3. PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST

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

	2001 £	2000 £
Depreciation of tangible fixed assets		
- owned by the company	1,752	903
- held under hire purchase contracts	18,276	18,276
Operating leases - property	7,440	6,600
Directors' emoluments (excluding pension contributions)	153,092	130,467
Directors' pension contributions	2,970	2,820
Auditors' remuneration	1,760	1,705
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4. INTEREST PAYABLE

	2001 £	2000 £
On hire purchase contracts	2,731	2,732
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5. TAXATION

	2001 £	2000 £
Corporation tax at 10.0% (2000: 14.16%)	1,188	983
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2001

6. FIXED ASSETS

Tangible fixed assets

	Motor vehicles £	Fixtures & fittings £	Total £
Cost:			
At 1 November 2000	73,110	24,567	97,677
Additions	-	5,791	5,791
	<hr/>	<hr/>	<hr/>
At 31 October 2001	73,110	30,358	103,468
	<hr/>	<hr/>	<hr/>
Accumulated depreciation:			
At 1 November 2000	30,693	12,880	43,573
Charge for the year	18,276	1,752	20,028
	<hr/>	<hr/>	<hr/>
At 31 October 2001	48,969	14,632	63,601
	<hr/>	<hr/>	<hr/>
Net book value:			
At 31 October 2001	24,141	15,726	39,867
	<hr/>	<hr/>	<hr/>
At 31 October 2000	42,417	11,687	54,104
	<hr/>	<hr/>	<hr/>

Included in the above are motor vehicles with a net book value of £24,141 (2000: £42,417) held under hire purchase contracts.

7. DEBTORS

	2001 £	2000 £
Trade debtors	38,003	56,722
Other debtors and prepayments	8,941	2,708
	<hr/>	<hr/>
	46,944	59,430
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2001

8. CREDITORS: amounts falling due within one year

	2001 £	2000 £
Current instalments on:		
Net obligations under hire purchase contracts (secured)	10,890	14,524
Bank overdraft (secured) (note 14)	-	1,128
Trade creditors	1,273	9,866
Corporation tax	1,190	983
Other taxes and social security costs	8,112	9,475
Other creditors and accruals	49,483	37,488
	<u>70,948</u>	<u>73,464</u>

9. CREDITORS: amounts falling due after more than one year

	2001 £	2000 £
Instalments falling due after more than one year on :		
Net obligations under hire purchase contracts (secured)	2,844	13,737
	<u>2,844</u>	<u>13,737</u>

The hire purchase liabilities are repayable by instalments within five years of the balance sheet date.

10. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation

At 31 October 2001 the company had a deferred tax asset of £1,599 (2000: £468) arising from accelerated capital allowances which is not recognised in the accounts.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2001

11. CALLED UP SHARE CAPITAL

	2001 £	2000 £
Authorised:		
10,000 Ordinary shares of £1 each	10,000	10,000
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Allotted, issued and fully paid up:		
1,000 Ordinary shares of £1 each	1,000	1,000
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12. MOVEMENT ON SHAREHOLDERS' FUNDS

	2001 £	2000 £
Profit for the year	1,077	3,060
Opening shareholders' funds	26,333	23,273
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Closing shareholders' funds	27,410	26,333
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13. FINANCIAL COMMITMENTS**Operating lease commitments**

At 31 October 2001 the company had an annual commitment of £10,080 (2000: £6,600) 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.

14. RELATED PARTIES

No one person controls the company.

P Ceci and I Fairbairn have each given personal guarantees to secure the company's bank overdraft facility.

15. INFORMATION REGARDING DIRECTORS**- Financial transactions**

On 30 July 2001 the company made an advance of £7,495 to I Fairbairn. The loan was repaid on 23 October 2001. There were no amounts outstanding at 31 October 2001 or 31 October 2000. No interest was charged on the outstanding balance.