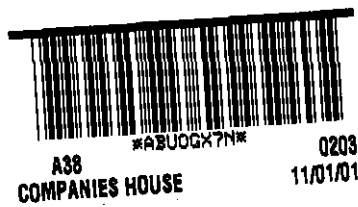


VFM ASSOCIATES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 OCTOBER 2000
COMPANY NUMBER 2737626 (ENGLAND & WALES)



DIX VOGAN LIMITED
CHARTERED ACCOUNTANTS

VFM ASSOCIATES LIMITED

REGISTERED OFFICE

33 Southgate
Pontefract
West Yorkshire
WF8 1LN

COMPANY REGISTRATION NUMBER

2737626

DIRECTORS

P Ceci
I E J Fairbairn
M J Grimshaw

SECRETARY

I E J Fairbairn

AUDITORS

Dix Vogan Limited
Holdsworth House
11a Wood Street
Wakefield
WF1 2EL

BANKERS

Lloyds Bank Plc
17 Westgate
Wakefield
West Yorkshire
WF1 1JZ

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2000

The directors present their report and financial statements for the year ended 31 October 2000.

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 2000 and 31 October 1999 or at date of appointment, if later, were as follows:


	Number of shares	
	At 31.10.00	At 31.10.99 or on appointment
P Ceci	450	500
I E J Fairbairn	450	500
M J Grimshaw (Appointed 1 November 1999)	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 19 December 2000 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.

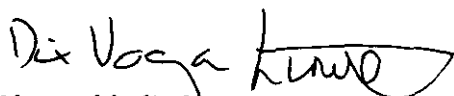
Basis of opinion

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 2000 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 Vogan Limited

**Chartered Accountants and
Registered Auditors**

Holdsworth House
11a Wood Street
Wakefield
WF1 2EL

10 January 2001

VFM ASSOCIATES LIMITED**3.****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 OCTOBER 2000**

	Note	2000 £	1999 £
Turnover	2	304,235	259,172
Cost of sales		(208,259)	(180,795)
Gross profit		<u>95,976</u>	<u>78,377</u>
Administrative costs		(89,201)	(72,104)
Operating profit	3	<u>6,775</u>	<u>6,273</u>
Profit on disposal of tangible fixed assets		-	4,302
Profit on ordinary activities before interest		<u>6,775</u>	<u>10,575</u>
Interest payable	4	(2,732)	(2,841)
Profit on ordinary activities before taxation		<u>4,043</u>	<u>7,734</u>
Taxation	5	(983)	(584)
Profit on ordinary activities after taxation		<u>3,060</u>	<u>7,150</u>
Retained profit brought forward		22,273	16,121
Reserves capitalised in year		-	(998)
Retained profit carried forward		<u>25,333</u>	<u>22,273</u>

There were no recognised gains or losses in 2000 or 1999 other than those included in the profit and loss account.

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

VFM ASSOCIATES LIMITED

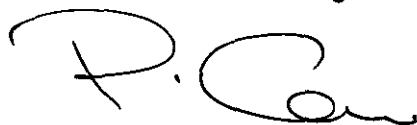
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BALANCE SHEET AS AT

31 OCTOBER 2000

	Note	2000		1999	
		£	£	£	£
Fixed assets					
Tangible assets	6		54,104		65,726
Current assets					
Debtors	7	59,430		46,207	
Cash at bank		-		7,814	
		<u>59,430</u>		<u>54,021</u>	
Creditors: Amounts falling due within one year	8	<u>73,464</u>		<u>68,217</u>	
Net current liabilities			<u>(14,034)</u>		<u>(14,196)</u>
Total assets less current liabilities			<u>40,070</u>		<u>51,530</u>
Creditors: Amounts falling due after more than one year	9		<u>(13,737)</u>		<u>(28,257)</u>
			<u>26,333</u>		<u>23,273</u>
Capital and reserves					
Called up share capital	11		1,000		1,000
Profit and loss account			25,333		22,273
Shareholders' funds - all equity			<u>26,333</u>		<u>23,273</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 19 December 2000 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 2000

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 £9,029 (1999: £7,230) 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 2000

2. TURNOVER

In the year to 31 October 2000 all of the company's turnover was to customers in the United Kingdom (1999: 3.6% of turnover was to markets outside the United Kingdom).

3. OPERATING PROFIT

The operating profit is stated after charging:

	2000 £	1999 £
Depreciation of tangible fixed assets		
- owned by the company	903	1,543
- held under hire purchase contracts	18,276	15,998
Operating leases - property	6,600	6,600
Directors' emoluments (excluding pension contributions)	130,467	95,315
Directors' pension contributions	9,029	2,669
Auditors' remuneration	1,705	1,732
	-----	-----

4. INTEREST PAYABLE

	2000 £	1999 £
On hire purchase contracts	2,732	2,841
	-----	-----

5. TAXATION

	2000 £	1999 £
Corporation tax at 14.16% (1999: 20%)	983	584
	-----	-----

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2000

6. FIXED ASSETS

Tangible fixed assets

	Motor vehicles £	Fixtures & fittings £	Total £
Cost:			
At 1 November 1999	73,110	17,010	90,120
Additions	-	7,557	7,557
Disposals	-	-	-
At 31 October 2000	73,110	24,567	97,677
Accumulated depreciation:			
At 1 November 1999	12,417	11,977	24,394
Charge for the year	18,276	903	19,179
Disposals	-	-	-
At 31 October 2000	30,693	12,880	43,573
Net book value:			
At 31 October 2000	42,417	11,687	54,104
At 31 October 1999	60,693	5,033	65,726

Included in the above are motor vehicles with a net book value of £42,417 (1999: £60,693) held under hire purchase contracts.

7. DEBTORS

	2000 £	1999 £
Trade debtors	56,722	42,497
Other debtors and prepayments	2,708	3,710
	59,430	46,207

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2000

8. CREDITORS: amounts falling due within one year

	2000 £	1999 £
Current instalments on:		
Net obligations under hire purchase contracts (secured)	14,524	14,524
Bank overdraft (secured) (note 14)	1,128	-
Trade creditors	9,866	5,167
Corporation tax	983	584
Other taxes and social security costs	9,475	12,739
Other creditors and accruals	37,488	47,943
	<u>73,464</u>	<u>80,957</u>

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

	2000 £	1999 £
Instalments falling due after more than one year on :		
Net obligations under hire purchase contracts (secured)	<u>13,737</u>	<u>28,257</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 2000 the company had a deferred tax asset of £468 arising from accelerated capital allowances which is not recognised in the accounts. At 31 October 1999 the amount was an unprovided liability of £66.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2000

11. CALLED UP SHARE CAPITAL

	2000 £	1999 £
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
	-----	-----

12. MOVEMENT ON SHAREHOLDERS' FUNDS

	2000 £	1999 £
Profit for the year	3,060	7,151
Opening shareholders' funds	23,273	16,122
	-----	-----
Closing shareholders' funds	26,333	23,273
	-----	-----

13. FINANCIAL COMMITMENTS

Operating lease commitments

At 31 October 2000 the company had an annual commitment of £6,600 (1999: £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.