

**VFM ASSOCIATES LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 OCTOBER 1999**  
**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 1999**

The directors present their report and financial statements for the year ended 31 October 1999.

**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 1999 and 31 October 1998 were as follows:

		<b>Number of shares</b>	
		<b>At</b>	<b>At</b>
	<b>Class of share</b>	<b>31.10.99</b>	<b>31.10.98</b>
P Ceci	Ordinary	500	1
I E J Fairbairn	Ordinary	500	1

M J Grimshaw was appointed as a director of the company on 1 November 1999.

**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**

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities.

This report was approved by the board on *5 January* ~~2000~~ and signed on its behalf.

*P. Ceci*  
**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, 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 1999 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**

Holdsworth House  
11a Wood Street  
Wakefield  
WF1 2EL

*4 February 2000*

**VFM ASSOCIATES LIMITED****3.****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 OCTOBER 1999**

	<b>Note</b>	<b>1999 £</b>	<b>1998 £</b>
<b>Turnover</b>	<b>2</b>	<b>259,172</b>	<b>237,831</b>
<b>Cost of sales</b>		<b>(180,795)</b>	<b>(159,306)</b>
<b>Gross profit</b>		<b>78,377</b>	<b>78,525</b>
<b>Administrative costs</b>		<b>(72,104)</b>	<b>(69,410)</b>
<b>Operating profit</b>	<b>3</b>	<b>6,273</b>	<b>9,115</b>
<b>Profit (loss) on disposal of tangible fixed assets</b>		<b>4,302</b>	<b>(1,233)</b>
<b>Profit on ordinary activities before interest</b>		<b>10,575</b>	<b>7,882</b>
<b>Interest payable</b>	<b>4</b>	<b>(2,841)</b>	<b>(2,465)</b>
<b>Profit on ordinary activities before taxation</b>		<b>7,735</b>	<b>5,417</b>
<b>Taxation</b>	<b>5</b>	<b>(584)</b>	<b>(1,960)</b>
<b>Profit on ordinary activities after taxation</b>		<b>7,151</b>	<b>3,457</b>
<b>Retained profit brought forward</b>		<b>16,121</b>	<b>12,664</b>
<b>Reserves capitalised in year</b>		<b>(998)</b>	<b>-</b>
<b>Retained profit carried forward</b>		<b>22,274</b>	<b>16,121</b>

There were no recognised gains or losses in 1999 or 1998 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 1999

	Note	1999		1998	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	6		65,726		42,896
<b>Current assets</b>					
Debtors	7	46,207		43,815	
Cash at bank		7,815		-	
		<u>54,022</u>		<u>43,815</u>	
<b>Creditors: Amounts falling due within one year</b>	8	<u>68,217</u>		<u>57,488</u>	
<b>Net current liabilities</b>			(14,195)		(13,673)
<b>Total assets less current liabilities</b>			<u>51,531</u>		<u>29,223</u>
<b>Creditors: Amounts falling due after more than one year</b>	9		(28,257)		(13,100)
			<u>23,274</u>		<u>16,123</u>
<b>Capital and reserves</b>					
Called up share capital	11		1,000		2
Profit and loss account			<u>22,274</u>		<u>16,121</u>
<b>Shareholders' funds - all equity</b>			<u>23,274</u>		<u>16,123</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, and in accordance with the Financial Reporting Standard for Smaller Entities were approved by the board on 5 January 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 1999****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.

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% and 20% per annum straight line

- 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 £4,929 (1998: £4,399) 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 1999

## 2. TURNOVER

In the year to 31 October 1999 3.6% of the company's turnover was to markets outside the United Kingdom (1998: none).

## 3. OPERATING PROFIT

The operating profit is stated after charging:

	1999 £	1998 £
Depreciation of tangible fixed assets		
- owned by the company	1,543	2,319
- held under hire purchase contracts	15,998	13,043
Operating leases - property	6,600	6,100
Directors' emoluments (excluding pension contributions)	95,315	73,512
Directors' pension contributions	2,669	2,580
Auditors' remuneration	1,732	1,540
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## 4. INTEREST PAYABLE

	1999 £	1998 £
On hire purchase contracts	2,841	2,465
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## 5. TAXATION

	1999 £	1998 £
Corporation tax at 20.4% (1998: 21%)	584	1,960
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## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 1999

## 6. FIXED ASSETS

## Tangible fixed assets

	Motor vehicles £	Fixtures & fittings £	Total £
<b>Cost:</b>			
At 1 November 1998	59,105	16,441	75,546
Additions	54,000	569	54,569
Disposals	(39,995)	-	(39,995)
At 31 October 1999	73,110	17,010	90,120
<b>Accumulated depreciation:</b>			
At 1 November 1998	22,216	10,434	32,650
Charge for the year	15,998	1,543	17,541
Disposals	(25,797)	-	(25,797)
At 31 October 1999	12,417	11,977	24,394
<b>Net book value:</b>			
At 31 October 1999	60,693	5,033	65,726
At 31 October 1998	36,889	6,007	42,896

Included in the above are motor vehicles with a net book value of £60,693 (1998: £36,889) held under hire purchase contracts.

## 7. DEBTORS

	1999 £	1998 £
Trade debtors	42,497	41,240
Other debtors and prepayments	3,710	2,575
	46,207	43,815

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 1999

**8. CREDITORS: amounts falling due within one year**

	1999 £	1998 £
Current instalments on:		
Net obligations under hire purchase contracts (secured)	14,524	10,992
Bank overdraft (secured) (note 14)	-	9,822
Trade creditors	5,167	8,240
Corporation tax	584	1,960
Other creditors and accruals	47,943	26,474
	<u>68,217</u>	<u>57,488</u>

Included within other creditors and accruals is an amount of £12,739 (1998: £7,840) relating to social security and other taxes.

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

	1999 £	1998 £
Instalments falling due after more than one year on :		
Net obligations under hire purchase contracts (secured)	<u>28,257</u>	<u>13,100</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 1999 the company had a deferred tax liability of £66 arising from accelerated capital allowances which is not provided for in the accounts. At 31 October 1998 the amount not provided was an asset of £997.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 1999

## 11. CALLED UP SHARE CAPITAL

	1999 £	1998 £
<b>Authorised:</b>		
10,000 Ordinary shares of £1 each	10,000	10,000
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<b>Allotted, issued and fully paid up:</b>		
1,000 Ordinary shares of £1 each	1,000	2
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On 6 August 1999 the company converted £998 of reserves into share capital by the issue of 998 ordinary shares of £1 each to existing shareholders on the basis of 499 new shares for each ordinary share held at that date.

## 12. MOVEMENT ON SHAREHOLDERS' FUNDS

	1999 £	1998 £
Profit for the year	7,151	3,457
Opening shareholders' funds	16,123	12,666
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Closing shareholders' funds	23,274	16,123
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## 13. FINANCIAL COMMITMENTS

## Operating lease commitments

At 31 October 1999 the company had an annual commitment of £6,600 (1998: £6,100 ) 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

The controlling parties are P Ceci and I Fairbairn by virtue of each having ownership of 50% of the issued ordinary share capital of the company.

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