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VFM ASSOCIATES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 OCTOBER 1998
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

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

VFM ASSOCIATES LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED

31 OCTOBER 1998

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DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 1998

The directors present their report and financial statements for the year ended 31 October 1998.

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 1998 and 31 October 1997 were as follows:

		Number of shares	
		At	At
	Class of share	31.10.98	31.10.97
P Ceci	Ordinary	1	1
I E J Fairbairn	Ordinary	1	1

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 16 December 1998 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, 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 1998 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

Dix Vogan Limited

**Chartered Accountants and
Registered Auditors**

Holdsworth House
11a Wood Street
Wakefield
WF1 2EL

22 March 1999

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 OCTOBER 1998

	Note	1998 £	1997 £
Turnover	2	237,831	237,719
Cost of sales		(159,306)	(166,487)
Gross profit		78,525	71,232
Administrative costs		(67,466)	(64,340)
Operating profit	3	11,059	6,892
Loss on disposal of tangible fixed assets		(3,177)	-
Profit on ordinary activities before interest		7,882	6,892
Interest payable	4	(2,465)	(2,218)
Profit on ordinary activities before taxation		5,417	4,674
Taxation	5	(1,960)	(1,266)
Profit on ordinary activities after taxation		3,457	3,408
Retained profit brought forward		12,664	9,256
Retained profit carried forward		16,121	12,664

There were no recognised gains or losses in 1998 or 1997 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 1998

	Note	1998		1997	
		£	£	£	£
Fixed assets					
Tangible assets	6		42,896		47,162
Current assets					
Debtors	7	43,815		25,652	
Cash at bank		-		15,983	
		43,815		41,635	
Creditors: Amounts falling due within one year	8	57,488		60,962	
Net current liabilities			(13,673)		(19,327)
Total assets less current liabilities			29,223		27,835
Creditors: Amounts falling due after more than one year	9		(13,100)		(15,169)
			16,123		12,666
Capital and reserves					
Called up share capital	11		2		2
Profit and loss account			16,121		12,664
Shareholders' funds - all equity			16,123		12,666

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 16 December 1998 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 1998

1. ACCOUNTING POLICIES

- a. These financial statements are prepared under the historical cost convention and include the results of the company's operations which are described in the Directors' Report and all of which are continuing.

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 £4,399 (1997: £3,614) 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 1998

2. TURNOVER

In the year to 31 October 1998 none of the company's turnover was to markets outside the United Kingdom (1997:0.75%).

3. OPERATING PROFIT

The operating profit is stated after charging:

	1998 £	1997 £
Depreciation of tangible fixed assets		
- owned by the company	2,319	3,340
- held under hire purchase contracts	13,043	12,892
Operating leases - property	6,100	6,100
Directors' emoluments (excluding pension contributions)	73,512	98,866
Directors' pension contributions	2,580	2,448
Auditors' remuneration	1,540	1,535
	-----	-----

4. INTEREST PAYABLE

	1998 £	1997 £
On hire purchase contracts	2,465	2,218
	-----	-----

5. TAXATION

	1998 £	1997 £
Corporation tax at 21% (1997: 22.25%)	1,960	2,315
Deferred taxation	-	(1,049)
	-----	-----
	1,960	1,266
	-----	-----

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 1998

6. FIXED ASSETS

Tangible fixed assets

	Motor vehicles £	Fixtures & fittings £	Total £
Cost:			
At 1 November 1997	56,941	15,222	72,163
Additions	19,110	1,219	20,329
Disposals	(16,946)	-	(16,946)
	-----	-----	-----
At 31 October 1998	59,105	16,441	75,546
	-----	-----	-----
Accumulated depreciation:			
At 1 November 1997	16,886	8,115	25,001
Charge for the year	13,043	2,319	15,362
Disposals	(7,713)	-	(7,713)
	-----	-----	-----
At 31 October 1998	22,216	10,434	32,650
	-----	-----	-----
Net book value:			
At 31 October 1998	36,889	6,007	42,896
	-----	-----	-----
At 31 October 1997	40,055	7,107	47,162
	-----	-----	-----

Included in the above are motor vehicles with a net book value of £36,889 (1997: £40,055) held under hire purchase contracts.

7. DEBTORS

	1998 £	1997 £
Trade debtors	41,240	24,196
Other debtors and prepayments	2,575	1,456
	-----	-----
	43,815	25,652
	-----	-----

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 1998

8. CREDITORS: amounts falling due within one year

	1998 £	1997 £
Current instalments on:		
Net obligations under hire purchase contracts (secured)	10,992	11,644
Bank overdraft (note 14)	9,822	-
Trade creditors	8,240	1,377
Corporation tax	1,960	2,315
Other creditors and accruals	26,474	45,626
	----- 57,488	----- 60,962

Included within other creditors and accruals is an amount of £7,840 (1997: £5,692) relating to social security and other taxes.

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

	1998 £	1997 £
Instalments falling due after more than one year on :		
Net obligations under hire purchase contracts (secured)	13,100	15,169
	-----	-----

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

10. PROVISIONS FOR LIABILITIES AND CHARGES**Deferred taxation**

The company has a deferred tax asset of £997 (1997: £241). In view of the uncertainty as to the timing of the recovery of this amount it is not recognised in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 1998

11. CALLED UP SHARE CAPITAL

	1998 £	1997 £
Authorised:		
10,000 Ordinary shares of £1 each	10,000	10,000
	-----	-----
Allotted, issued and fully paid up:		
2 Ordinary shares of £1 each	2	2
	-----	-----

12. MOVEMENT ON SHAREHOLDERS' FUNDS

	1998 £	1997 £
Profit for the year	3,457	3,408
Opening shareholders' funds	12,666	9,258
	-----	-----
Closing shareholders' funds	16,123	12,666
	-----	-----

13. FINANCIAL COMMITMENTS**Operating lease commitments**

At 31 October 1998 the company had an annual commitment of £6,100 (1997: £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.