

**VFM ASSOCIATES LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 OCTOBER 1996**  
**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 1996**

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**DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 1996**

The directors present their report and financial statements for the year ended 31 October 1996

**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 during the year, together with details of their interests in the company's share capital at 31 October 1996 and 31 October 1995 were as follows:

|                 |                | Number of shares |          |
|-----------------|----------------|------------------|----------|
|                 |                | At               | At       |
|                 | Class of share | 31.10.96         | 31.10.95 |
| P Ceci          | Ordinary       | 1                | 1        |
| I E J Fairbairn | Ordinary       | 1                | 1        |

**Auditors**

Dix Vogan Limited were appointed auditors to the company on 14 October 1996 and in accordance with Section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

This report, which has been prepared taking advantage of the special exemptions applicable to small companies was approved by the board on 7 February 1997 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 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 1996 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

7 February 1997

**VFM ASSOCIATES LIMITED****3.****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 OCTOBER 1996**

|  | Note | 1996<br>£ | 1995<br>£ |
|--|------|-----------|-----------|
| Turnover   | 2    | 220,085   | 168,616   |
| Cost of sales  |      | (135,090) | (89,636)  |
| <b>Gross profit</b>  |      | 84,995    | 78,980    |
| Administrative costs   |      | (87,336)  | (60,583)  |
| <b>Operating (loss) / profit</b>                             | 3    | (2,341)   | 18,397    |
| Profit on disposal of tangible fixed assets                  |      | 4,469     | -         |
| <b>Profit on ordinary activities before interest</b>         |      | 2,128     | 18,397    |
| Interest payable   | 4    | (2,054)   | (795)     |
| <b>Profit on ordinary activities before taxation</b>         |      | 74        | 17,602    |
| Taxation   | 5    | (979)     | (4,405)   |
| <b>(Loss) / Profit on ordinary activities after taxation</b> |      | (905)     | 13,197    |
| <b>Retained profit / (deficit) brought forward</b>           |      | 10,161    | (3,036)   |
| <b>Retained profit carried forward</b>                       |      | 9,256     | 10,161    |

There were no recognised gains or losses in 1996 or 1995 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**

4.

**BALANCE SHEET AS AT**
**31 OCTOBER 1996**

|  | Note | 1996          |               | 1995          |               |
|--|------|---------------|---------------|---------------|---------------|
|  |      | £             | £             | £             | £             |
| <b>Fixed assets</b>  |      |               |               |               |               |
| Tangible assets  | 6    |               | 46,425        |               | 21,592        |
| <b>Current assets</b>  |      |               |               |               |               |
| Debtors  | 7    | 29,314        |               | 19,400        |               |
| Cash at bank   |      | 13,343        |               | -             |               |
|  |      | <u>42,657</u> |               | <u>19,400</u> |               |
| <b>Creditors: Amounts falling due within one year</b>          | 8    | <u>59,170</u> |               | <u>28,329</u> |               |
| <b>Net current liabilities</b>                                 |      |               | (16,513)      |               | (8,929)       |
| <b>Total assets less current liabilities</b>                   |      |               | <u>29,912</u> |               | <u>12,663</u> |
| <b>Creditors: Amounts falling due after more than one year</b> | 9    |               | (19,605)      |               | (2,500)       |
| <b>Provisions for liabilities and charges</b>                  |      |               |               |               |               |
| Deferred tax   | 10   |               | (1,049)       |               | -             |
|  |      |               | <u>9,258</u>  |               | <u>10,163</u> |
| <b>Capital and reserves</b>                                    |      |               |               |               |               |
| Called up share capital  | 11   |               | 2             |               | 2             |
| Profit and loss account  |      |               | 9,256         |               | 10,161        |
| <b>Shareholders' funds - all equity</b>                        |      |               | <u>9,258</u>  |               | <u>10,163</u> |

The directors have taken advantage, in the preparation of these financial statements, of special exemptions applicable to small companies on the grounds that the company qualifies as a small company by virtue of section 247 of the Companies Act 1985. The financial statements were approved by the board on 7 February 1997 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 1996

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 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 1996

## 2. TURNOVER

In the year to 31 October 1996 7% of the company's turnover was to markets outside the United Kingdom (1995: Nil).

## 3. OPERATING (LOSS) /PROFIT

The operating (loss) / profit is stated after charging:

|   | 1996<br>£ | 1995<br>£ |
|---|-----------|-----------|
| Depreciation of tangible fixed assets                   |           |           |
| - owned by the company                                  | 1,635     | 1,336     |
| - held under hire purchase contracts                    | 8,325     | 5,775     |
| Directors' emoluments (excluding pension contributions) | 107,050   | 62,225    |
| Directors' pension contributions                        | 2,245     | 206       |
| Auditors' remuneration                                  | 750       | 1,000     |
|   | -----     | -----     |

## 4. INTEREST PAYABLE

|                            | 1996<br>£ | 1995<br>£ |
|----------------------------|-----------|-----------|
| On bank overdraft          | 179       | 65        |
| On hire purchase contracts | 1,875     | 720       |
| Other interest             | -         | 10        |
|                            | -----     | -----     |
|                            | 2,054     | 795       |
|                            | -----     | -----     |

## 5. TAXATION

|                                    | 1996<br>£ | 1995<br>£ |
|------------------------------------|-----------|-----------|
| Corporation tax at 25% (1995: 25%) | (70)      | 4,405     |
| Deferred taxation                  | 1,049     | -         |
|                                    | -----     | -----     |
|                                    | 979       | 4,405     |
|                                    | -----     | -----     |

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 1996

## 6. FIXED ASSETS

## Tangible fixed assets

|                                  | Motor<br>vehicles<br>£ | Fixtures<br>& fittings<br>£ | Total<br>£ |
|----------------------------------|------------------------|-----------------------------|------------|
| <b>Cost:</b>                     |                        |                             |            |
| At 1 November 1995               | 23,100                 | 8,370                       | 31,470     |
| Additions                        | 46,146                 | 678                         | 46,824     |
| Disposals                        | (23,100)               | -                           | (23,100)   |
| At 31 October 1996               | 46,146                 | 9,048                       | 55,194     |
| <b>Accumulated depreciation:</b> |                        |                             |            |
| At 1 November 1995               | 6,738                  | 3,140                       | 9,878      |
| Charge for the year              | 8,325                  | 1,635                       | 9,960      |
| On disposals                     | (11,069)               | -                           | (11,069)   |
| At 31 October 1996               | 3,994                  | 4,775                       | 8,769      |
| <b>Net book value:</b>           |                        |                             |            |
| At 31 October 1996               | 42,152                 | 4,273                       | 46,425     |
| At 31 October 1995               | 16,362                 | 5,230                       | 21,592     |

Included in the above are motor vehicles held under hire purchase contacts amounting to £42,152 (1995 : £16,362).

## 7. DEBTORS

|                               | 1996<br>£ | 1995<br>£ |
|-------------------------------|-----------|-----------|
| Trade debtors                 | 26,903    | 18,242    |
| Other debtors and prepayments | 2,411     | 1,158     |
|                               | 29,314    | 19,400    |

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 1996

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

|   | 1996<br>£     | 1995<br>£     |
|---|---------------|---------------|
| Bank overdraft  | -             | 4,276         |
| Net obligations under hire purchase contracts (secured) | 5,874         | 5,500         |
| Trade creditors   | 3,727         | 1,599         |
| Other creditors and accruals                            | 49,569        | 16,954        |
|   | <u>59,170</u> | <u>28,329</u> |

Included within other creditors and accruals is an amount of £11,947 (1995: £4,941) relating to social security and other taxes.

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

|   | 1996<br>£     | 1995<br>£    |
|---|---------------|--------------|
| Net obligations under hire purchase contracts (secured) | 19,605        | -            |
| Director's loan   | -             | 2,500        |
|   | <u>19,605</u> | <u>2,500</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

|                            | £            |
|----------------------------|--------------|
| Balance at 1 November 1995 | -            |
| Charge for the year        | 1,049        |
| Balance at 31 October 1996 | <u>1,049</u> |

|                                | 1996            |                   | 1995            |                   |
|--------------------------------|-----------------|-------------------|-----------------|-------------------|
|                                | Amount provided | Amount unprovided | Amount provided | Amount unprovided |
|                                | £               | £                 | £               | £                 |
| Accelerated capital allowances | 1,049           | -                 | -               | 603               |
|                                | <u>1,049</u>    | <u>-</u>          | <u>-</u>        | <u>603</u>        |

**VFM ASSOCIATES LIMITED**

9.

**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 OCTOBER 1996****11. CALLED UP SHARE CAPITAL**

|   | <b>1996<br/>£</b> | <b>1995<br/>£</b> |
|---|-------------------|-------------------|
| Authorised:<br>10,000 Ordinary shares of £1 each                    | <u>10,000</u>     | <u>10,000</u>     |
|   |                   |                   |
| Allotted, issued and fully paid up:<br>2 Ordinary shares of £1 each | <u>2</u>          | <u>2</u>          |

**12. MOVEMENT ON SHAREHOLDERS FUNDS**

|                              | <b>1996<br/>£</b> | <b>1995<br/>£</b> |
|------------------------------|-------------------|-------------------|
| (Loss) / Profit for the year | (905)             | 13,197            |
| Opening shareholders' funds  | 10,163            | (3,034)           |
| Closing shareholders' funds  | <u>9,258</u>      | <u>10,163</u>     |

**13. FINANCIAL COMMITMENTS****Operating lease commitments**

At 31 October 1996 the company had an annual commitment of £6,100 (1995: £5,600 ) under a non-cancellable operating lease for the premises from which it operates. The lease expires after more than five years from the balance sheet date.