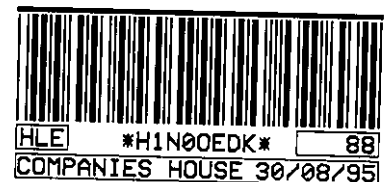

VFM Associates Limited

Report and Financial Statements

◆ Year ended 31 October 1994 ◆

COMPANY NO: 2737626



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COMPANY INFORMATION

Directors	P Ceci I E J Fairbairn
Secretary	I E J Fairbairn
Registered office	33 Southgate Pontefract West Yorkshire WF8 1LN
Registered number	2737626
Auditors	Robson Rhodes Chartered Accountants St George House 40 Great George Street Leeds LS1 3DQ

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements of the company for the year ended 31 October 1994.

Principal activity

The principal activity of the company is the provision of training courses for clients in the business trade and retail sector.

Directors

The present directors of the company are set out on page 1. Both held office throughout the year. The interests in the share capital of the company of those serving at the end of the year are set out below:

	At 31.10.94	At 01.11.93
P Ceci	1	1
G H Mortimore	1	1
(resigned 27 June 1995)		

Directors' responsibilities for the financial statements

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 these financial statements, the directors have:

- ◆ selected suitable accounting policies and applied them consistently;
- ◆ made judgements and estimates that are reasonable and prudent;
- ◆ followed applicable accounting standards; and
- ◆ prepared the financial statements on the going concern basis.

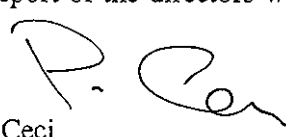
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Robson Rhodes have expressed their willingness to continue in office as auditors and a resolution for their re-appointment will be proposed at the forthcoming annual general meeting.

Advantage has been taken in the preparation of the directors' report of the special exemptions applicable to small companies conferred by Part II of Schedule 8 to the Companies Act 1985.

The report of the directors was approved by the Board on 18 August 1995 and signed on its behalf by:


Peter Ceci
Director

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

We have audited the financial statements set out on pages 4 to 9 which have been prepared on the basis of the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

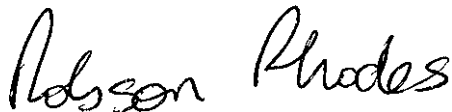
Basis of opinion

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 overall 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 affairs of the company as at 31 October 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Robson Rhodes
Chartered Accountants and Registered Auditor

Leeds
18 August 1995

VFM ASSOCIATES LIMITED**PROFIT AND LOSS ACCOUNT**
for the year ended 31 October 1994

	Note	Year to 31.10.94 £	Period to 31.10.93 £
Turnover: continuing operations		149,286	94,481
Cost of sales		<u>(80,832)</u>	<u>(71,507)</u>
Gross profit		68,454	22,974
Administrative expenses		<u>(51,416)</u>	<u>(41,262)</u>
Operating profit/(loss): continuing operations	2	17,038	(18,288)
Interest payable	3	<u>(517)</u>	<u>(1,269)</u>
Profit/(loss) on ordinary activities before taxation		16,521	(19,557)
Taxation	4	<u>-</u>	<u>-</u>
Retained profit/(loss) for the financial year	10	<u>16,521</u>	<u>(19,557)</u>

There were no recognised gains or losses other than those reported above.

VFM ASSOCIATES LIMITED**BALANCE SHEET**
at 31 October 1994

	Note	1994 £	1993 £
Fixed assets			
Tangible assets	5	29,232	13,889
Current assets			
Debtors	6	21,387	18,040
Creditors: Amounts falling due within one year	7	(43,153)	(46,484)
Net current liabilities		(21,766)	(28,444)
Total assets less current liabilities		7,466	(14,555)
Creditors: Amounts falling due after more than one year	8	(10,500)	(5,000)
Net liabilities		(3,034)	(19,555)
Capital and reserves			
Share capital	9	2	2
Profit and loss account (deficit)	10	(3,036)	(19,557)
Deficit of Shareholders' funds	11	(3,034)	(19,555)

Advantage has been taken on the preparation of the financial statements of the special exemptions conferred by Part I of Schedule 8 to the Companies Act 1985 on the grounds that the company qualifies as a small company.

The financial statements were approved by the Board on 18 August 1995 and signed on its behalf by:



Peter Ceci
Director

NOTES TO THE FINANCIAL STATEMENTS

31 October 1994

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost convention. Comparative figures cover the company's initial period of trading from 5 August 1992 to 31 October 1995.

Turnover

Turnover represents amounts invoiced by the company excluding value added tax.

Fixed assets and depreciation

Depreciation is provided in equal instalments in order to write off the cost over their estimated useful lives. The rates applied are as follows:

Fixtures and fittings	15% pa
Computer equipment	25% pa
Motor vehicles	25% pa

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes.

Provision for deferred taxation is made under the liability method, only to the extent that it is probable that the liability will become payable in the foreseeable future.

Leased assets

Assets held under finance leases or hire purchase agreements are included within fixed assets and the obligations to pay future rentals are recorded as creditors. Interest is charged in equal amounts over the term of repayment.

Payments under operating leases are charged to profit and loss account as incurred.

2 OPERATING PROFIT/LOSS

Operating profit/loss for the year is arrived at after charging:

	Year to 31.10.94 £	Period to 31.10.93 £
Directors' emoluments - management remuneration	47,205	32,813
Auditors' remuneration	1,500	1,200
Depreciation	4,841	3,686
Operating loan repayments - property	5,600	5,021
Profit on disposal of fixed assets	(1,406)	-

NOTES TO THE FINANCIAL STATEMENTS

31 October 1994

3 INTEREST PAYABLE

	Year to 31.10.94 £	Period to 31.10.93 £
Bank overdraft	405	329
Hire purchase lease interest	112	940
	<u>517</u>	<u>1,269</u>

4 TAXATION ON PROFITS/LOSSES ON ORDINARY ACTIVITIES

There is no change to taxation as the current year's profits are covered by losses brought forward from the previous year. There are losses of £2,700 available to set-off against future profits.

5 TANGIBLE FIXED ASSETS

	Plant etc £
Cost	
At 1 November 1993	17,575
Capital expenditure	25,279
Disposals	(9,055)
	<u>33,799</u>
At 31 October 1994	
Depreciation	
At 1 November 1993	3,686
Charge for period	4,842
Disposals	(3,961)
	<u>4,567</u>
At 31 October 1994	
Net book value	
At 31 October 1994	<u>29,232</u>
At 31 October 1993	<u>13,889</u>

Included in fixed assets are the following amounts which are subject to hire purchase agreements at the year end:

	1994 £	1993 £
Net book value	22,137	-
Depreciation charge for the year	<u>963</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

31 October 1994

6 DEBTORS

	1994 £	1993 £
Trade debtors	20,303	17,189
Other debtors	1,084	851
	<u>21,387</u>	<u>18,040</u>

7 CREDITORS: AMOUNTS FALLING DUE
WITHIN ONE YEAR

	1994 £	1993 £
Bank overdraft	8,703	13,608
Hire purchase	6,000	-
Trade creditors	406	1,657
Directors' loans	13,000	14,000
Other creditors	15,044	17,219
	<u>43,153</u>	<u>46,484</u>

8 CREDITORS: AMOUNTS FALLING DUE
AFTER ONE YEAR

	1994 £	1993 £
Hire purchase company	5,500	-
Directors loan	5,000	5,000
	<u>10,500</u>	<u>5,000</u>

The hire purchase debt is repayable between 1-2 years.

There are no fixed terms for the repayment of the directors loan.

9 SHARE CAPITAL

	1994 £	1993 £
Authorised		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
Issued and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

NOTES TO THE FINANCIAL STATEMENTS

31 October 1994

10 RESERVES

	1994 £
At 1 November 1993 - deficit	(19,557)
Retained profit for the year	16,521
	<u> </u>
At 31 October 1994 - deficit	<u>(3,036)</u>

11 RECONCILIATION OF MOVEMENTS
IN SHAREHOLDERS' FUNDS

	1994 £	1993 £
Shares issued	-	2
Profit/(loss) for the year	16,521	(19,557)
Increase/(decrease) in shareholders' fund	<u>16,521</u>	<u>(19,555)</u>
Opening shareholders' funds	(19,555)	-
	<u> </u>	<u> </u>
Closing shareholders' funds	<u>(3,034)</u>	<u>(19,555)</u>

12 COMMITMENTS

	1994 £	1993 £
Capital expenditure		
Contracted for but not provided in the financial statements	<u>Nil</u>	<u>Nil</u>
Authorised by the directors but not contracted for	<u>Nil</u>	<u>Nil</u>
Leasing		
Amount payable in the following year under a property lease expiring after five years	<u>5,600</u>	<u>5,600</u>