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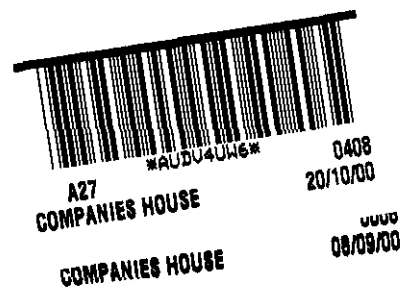
COMPANY NUMBER02315924.....

VSO Trading Limited

Report and Financial Statements

Year Ended

31 March 2000



BDO

BDO Stoy Hayward
Chartered Accountants

VSO Trading Limited

Annual report and financial statements for the year ended 31 March 2000

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Directors

G Barnett
J Merchant

Secretary and registered office

J Merchant
317 Putney Bridge Road
London
SW15 2PN

Company number

02315724

Auditors

BDO Stoy Hayward, Emerald House, East Street, Epsom, Surrey, KT17 1HS

VSO Trading Limited

Report of the directors for the year ended 31 March 2000

The directors present their report together with the audited financial statements for the year ended 31 March 2000.

Results and dividends

The company's profit, before the deed of covenant to VSO and tax, for the year under review was £132,910 (1999: £17,068). The financial position of the company at 31 March 2000 is set out in the balance sheet on page 5.

The directors do not recommend the payment of a dividend.

Principal activities, trading review and future developments

The principal activity of the company is conducting trading for the purpose of raising funds for Voluntary Service Overseas. The directors intend to continue with the present activities of the company.

Directors

The directors of the company during the year were:

G Barnett
J Merchant

J Merchant holds one issued share in the company as nominee for Voluntary Service Overseas. The other director has no interest in the share capital of the company.

VSO Trading Limited

Report of the directors for the year ended 31 March 2000 (*Continued*)

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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume 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 taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the Board



J Merchant
Secretary

4 July 2000

VSO Trading Limited

Report of the auditors

To the shareholders of VSO Trading Limited

We have audited the financial statements on pages 4 to 8 which have been prepared under 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 the 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.

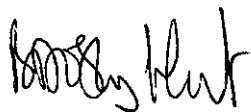
Basis of opinion

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 the company's affairs as at 31 March 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BDO STOY HAYWARD

*Chartered Accountants
and Registered Auditors*

Epsom, Surrey

4 July 2000

VSO Trading Limited**Profit and loss account for the year ended 31 March 2000**

	Note	2000 £	1999 £
Turnover	2	213,903	124,844
Cost of sales		(72,046)	(66,689)
Gross profit		141,857	58,155
Indirect expenses		(11,163)	(43,289)
Operating profit	4	130,694	14,866
Interest receivable		2,216	2,202
Profit on ordinary activities before covenant and taxation		132,910	17,068
Deed of covenant to VSO		(132,910)	(17,068)
Retained loss for the year		-	-
Profit and loss account brought forward		(2)	(2)
Profit and loss account carried forward		(2)	(2)

All amounts relate to continuing activities.

There are no recognised gains or losses or movements in shareholders' funds for the financial year or preceding year other than as stated in the profit and loss account

The notes on pages 6 to 8 form part of these financial statements.

VSO Trading Limited

Balance sheet as at 31 March 2000

	Note	2000	1999
		£	£
Fixed assets			
Tangible assets	5	-	11,584
Current assets			
Stocks		7,185	4,506
Debtors	6	26,377	8,448
Cash at bank and in hand		186,020	34,095
		<u>219,582</u>	<u>47,049</u>
Creditors: amounts falling due within one year	7	<u>219,582</u>	<u>58,633</u>
Net current (liabilities)		-	(11,584)
Net assets		<u>-</u>	<u>-</u>
Capital and reserves			
Called up share capital	8	2	2
Profit and loss account		(2)	(2)
Shareholders' funds		<u>-</u>	<u>-</u>

The financial statements were approved by the Board on *4 July 2000*


J Merchant
Director

The notes on pages 6 to 8 form part of these financial statements.

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

Turnover

Turnover represents sales to outside customers at invoiced amounts less value added tax.

Depreciation

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all fixed assets evenly over their expected useful lives. It is calculated at the following rates:

Motor vehicles - 25% per annum reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value.

2 Turnover

Turnover comprises the following, which are included net of value added tax. It arises solely within the United Kingdom.

	2000 £	1999 £
Sale of Christmas cards and other merchandise	12,943	35,324
Events	165,635	57,108
Raffle	20,712	32,412
Income from lettings	14,613	-
	<hr/>	<hr/>
	213,903	124,844
	<hr/>	<hr/>

VSO Trading Limited

Notes forming part of the financial statements for the year ended 31 March 2000 (Continued)

3 Employees and Directors

There are no employees. None of the directors received any remuneration during the year (1999 - £nil).

4 Operating profit

	2000 £	1999 £
This has been arrived at after charging/(crediting):		
Depreciation	-	3,862
Auditors' remuneration	2,397	2,350
Profit on disposal of fixed assets	(7,548)	-
	<hr/>	<hr/>

5 Tangible assets

	Motor Vehicles £
<i>Cost or valuation</i>	
At 1 April 1999	48,376
Disposals	(48,376)
	<hr/>
At 31 March 2000	-
	<hr/>
<i>Depreciation</i>	
At 1 April 1999	36,792
Disposals	(36,792)
	<hr/>
At 31 March 2000	-
	<hr/>
<i>Net book value</i>	
At 31 March 2000	-
	<hr/>
At 31 March 1999	11,584
	<hr/>

VSO Trading Limited

• Notes forming part of the financial statements for the year ended 31 March 2000 (Continued)

6 Debtors

	2000 £	1999 £
Taxation	-	223
Accrued income	26,377	8,225
	<u>26,377</u>	<u>8,448</u>

All amounts shown under debtors fall due for payment within one year.

7 Creditors: amounts falling due within one year

	2000 £	1999 £
Deferred income	11,890	-
Accrued expenditure	2,253	2,698
Taxation and social security	5,891	3,925
Amount owed to Voluntary Service Overseas	199,548	52,010
	<u>219,582</u>	<u>58,633</u>

8 Share capital

	Authorised		Allotted, called up and fully paid	
	2000 £	1999 £	2000 £	1999 £
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>2</u>	<u>2</u>

9 Ultimate parent company

At 31 March 2000 the company's ultimate parent company was Voluntary Service Overseas which has a direct interest in all of the company's share capital.

Copies of the consolidated financial statements of Voluntary Service Overseas are available from its registered office at 317 Putney Bridge Road, London SW15 2PN

10 Related party transactions

The company has taken advantage of the exemption which is conferred by Financial Reporting Standard No. 8, "Related Party Disclosures" that allows it not to disclose transactions with group undertakings that are eliminated on consolidation.