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VSO Trading Limited

Report and Financial Statements

Year Ended

31 March 2001



BDO Stoy Hayward
Chartered Accountants

VSO Trading Limited

Annual report and financial statements for the year ended 31 March 2001

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Directors

J Merchant
J Lawrie

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 2001

The directors present their report together with the audited financial statements for the year ended 31 March 2001.

Results and dividends

The company's profit, before the deed of covenant to VSO and tax, for the year under review was £286,573 (2000: £132,910). The financial position of the company at 31 March 2001 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	(resigned 7 December 2000)
J Merchant	
J Lawrie	(appointed 7 December 2000)

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 2001 (*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:

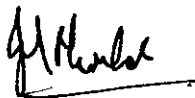
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

10 July 2001

VSO Trading Limited

Report of the independent 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 therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if the information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.


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 2001 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
10 July 2001

VSO Trading Limited**Profit and loss account for the year ended 31 March 2001**

	Note	2001 £	2000 £
Turnover	2	481,474	213,903
Cost of sales		(176,007)	(72,046)
Gross profit		305,467	141,857
Indirect expenses		(23,899)	(11,163)
Operating profit	4	281,568	130,694
Interest receivable		5,005	2,216
Profit on ordinary activities before covenant and taxation		286,573	132,910
Deed of covenant to VSO (paid under Gift Aid)		(286,573)	(132,910)
Retained profit 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 2001

	Note	2001	2000
		£	£
Current assets			
Stocks		9,847	7,185
Debtors	5	13,643	26,377
Cash at bank and in hand		209,646	186,020
		<u>233,136</u>	<u>219,582</u>
Creditors: amounts falling due within one year	6	<u>233,136</u>	<u>219,582</u>
Net current assets		-	-
Net assets		-	-
Capital and reserves			
Called up share capital	7	2	2
Profit and loss account		(2)	(2)
Shareholders' funds – all equity		-	-

The financial statements were approved by the Board on 10 July 2001


J Merchant
Director

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

VSO Trading Limited

Notes forming part of the financial statements for the year ended 31 March 2001

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.

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.

	2001 £	2000 £
Sale of Christmas cards and other merchandise	7,102	12,943
Events	443,043	165,635
Raffle	18,036	20,712
Income from lettings	13,293	14,613
	<hr/>	<hr/>
	481,474	213,903
	<hr/>	<hr/>

VSO Trading Limited

Notes forming part of the financial statements for the year ended 31 March 2001 (Continued)

3 Employees and Directors

There are no employees. None of the directors received any remuneration during the year (2000 - £nil).

4 Operating profit

	2001 £	2000 £
This has been arrived at after charging/(crediting):		
Auditors' remuneration	2,400	2,397
Loss/ (profit) on disposal of fixed assets	1	(7,548)
	<u> </u>	<u> </u>

5 Debtors

	2001 £	2000 £
Accrued income	13,643	26,377
	<u> </u>	<u> </u>
	13,643	26,377
	<u> </u>	<u> </u>

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

6 Creditors: amounts falling due within one year

	2001 £	2000 £
Deferred income	4,175	11,890
Accrued expenditure	1,669	2,253
Taxation	5,784	5,891
Amount owed to Voluntary Service Overseas	221,508	199,548
	<u> </u>	<u> </u>
	233,136	219,582
	<u> </u>	<u> </u>

7 Share capital

	Authorised		Allotted, called up and fully paid	
	2001 £	2000 £	2001 £	2000 £
Ordinary shares of £1 each	100	100	2	2
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

VSO Trading Limited

Notes forming part of the financial statements for the year ended 31 March 2001 (*Continued*)

8 Ultimate parent company and related party transactions

At 31 March 2001 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