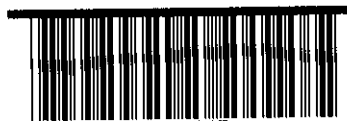


**VIRTUAL RESOURCES LIMITED**  
**REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED**  
**30TH NOVEMBER 1999**



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**VIRTUAL RESOURCES LIMITED**

**COMPANY NUMBER: 3003720 (ENGLAND AND WALES)**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

**D M BATCHELOR  
H A BATCHELOR**

**SECRETARY**

**H A BATCHELOR**

**REGISTERED OFFICE**

**BARTINGTON HALL  
WARRINGTON ROAD  
BARTINGTON  
CHESHIRE  
CW8 4QU**

**AUDITORS**

**HOBAN NELSON LANG  
CHARTERED ACCOUNTANTS  
REGISTERED AUDITORS  
NATIONAL WESTMINSTER HOUSE  
21/23 STAMFORD NEW ROAD  
ALTRINCHAM  
CHESHIRE  
WA14 1BN**

## **VIRTUAL RESOURCES LIMITED**

### **REPORT OF THE DIRECTORS**

The Directors have pleasure in submitting their Report and the Audited Accounts for the year ended 30th November 1999.

#### **PRINCIPAL ACTIVITY**

The principal activity of the company was that of business and recruitment consultancy.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires directors to prepare accounts 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 accounts, directors are required to:

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

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 accounts comply with the Companies ACT 1985. Directors 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.

#### **DIRECTORS**

The following Directors held office throughout the year. Their interests in the shares of the Company at the beginning and end of the year were as follows:-

NAME OF DIRECTOR	CLASS OF SHARE	NUMBER HELD	
		1999	1998
		£	£
D M BATCHELOR	Ordinary	5,000	5,000
H A BATCHELOR	Ordinary	5,000	5,000

**VIRTUAL RESOURCES LIMITED**

**REPORT OF THE DIRECTORS (Continued)**

**AUDITORS**

Messrs. Hoban Nelson Lang of National Westminster House, 21/23 Stamford New Road, Altrincham, Cheshire, WA14 1BN the Company's Auditors have indicated their willingness to continue in office and a resolution for their re-appointment will be proposed at the Annual General Meeting.

The above has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By Order of The Board

 SECRETARY  
H A BATCHELOR

2nd August 2000

**AUDITORS REPORT TO THE SHAREHOLDERS OF  
VIRTUAL RESOURCES LIMITED**

We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on pages 6 and 7.

**RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND 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 independent opinion based on our audit on those statements and to report our opinion to you.

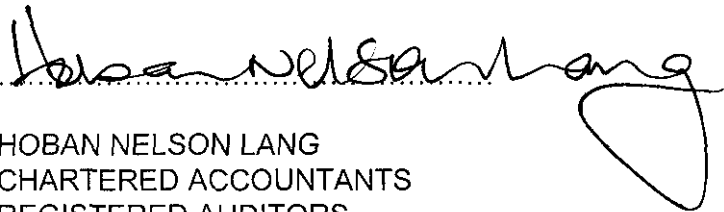
**BASIS OF OPINION**

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 director 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 30th November 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink, appearing to read 'Hoban Nelson Lang', is written over a dotted line. The signature is fluid and cursive, with a large loop at the end.

HOBAN NELSON LANG  
CHARTERED ACCOUNTANTS  
REGISTERED AUDITORS

NATIONAL WESTMINSTER HOUSE  
21/23 STAMFORD NEW ROAD  
ALTRINCHAM  
CHESHIRE  
WA14 1BN  
2nd August 2000

**VIRTUAL RESOURCES LIMITED**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH NOVEMBER 1999**

	Note	1999 £	1998 £
Turnover	2	1,062,373	1,336,248
Cost of Sales		836,607	1,083,535
		-----	-----
Gross Profit		225,766	252,713
Administrative Expenses		150,963	136,196
		-----	-----
Operating Profit		74,803	116,517
Interest Payable and Similar Charges		5,358	14,401
		-----	-----
Profit on Ordinary Activities before Taxation	3	69,445	102,116
Taxation	4	16,905	22,331
		-----	-----
Profit on Ordinary Activities after Taxation		52,540	79,785
Dividends Paid		28,000	36,000
		-----	-----
Retained Profit for the Financial Year		24,540	43,785
Balance Brought Forward		75,949	32,164
		-----	-----
Balance Carried Forward		100,489	75,949
		=====	=====

The notes on page 6 to 10 form part of these accounts.

**VIRTUAL RESOURCES LIMITED**

**BALANCE SHEET AT 30TH NOVEMBER 1999**

	Note	£	1999 £	£	1998 £
<b>FIXED ASSETS</b>					
Tangible Assets	5		12,619		19,978
<b>CURRENT ASSETS</b>					
Work in Progress		21,067		-	
Debtors	6	110,017		231,228	
Cash at Bank and in Hand		56,360		19,162	
		187,444		250,390	
<b>CREDITORS: Amounts falling due within one year</b>	7	86,093		177,154	
<b>NET CURRENT ASSETS</b>			101,351		73,236
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			113,970		93,214
<b>CREDITORS: Amounts falling due after one year</b>	8		3,481		7,265
<b>TOTAL NET ASSETS</b>			110,489		85,949
			=====		=====
<b>CAPITAL AND RESERVES</b>					
Called up Share Capital	9		10,000		10,000
Profit and Loss Account			100,489		75,949
<b>SHAREHOLDERS' FUNDS</b>	10		110,489		85,949
			=====		=====

The 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.

  
.....  
D M BATCHELOR

DIRECTOR

  
.....  
H A BATCHELOR

DIRECTOR

These accounts were approved by the Directors on 2nd August 2000

## **VIRTUAL RESOURCES LIMITED**

### **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH NOVEMBER 1999**

#### **1. PRINCIPAL ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom.

##### **BASIS OF ACCOUNTING**

All items in the accounts are stated under the historical cost accounting rules and in accordance with the Financial Reporting Standard for Smaller Entities.

##### **DEPRECIATION**

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset evenly over its expected useful life, as follows:

Motor Vehicles	25% per annum
Office Equipment	50% per annum
Computer Equipment	50% per annum

##### **DEFERRED TAXATION**

Deferred taxation is provided at the current rate of corporation tax on the liability method, in respect of tax deferred by taxation allowances and timing differences except to the extent that there is a reasonable probability that a liability will not arise within the foreseeable future.

##### **HIRE PURCHASE AND FINANCE LEASE AGREEMENTS**

Fixed assets financed under hire purchase or finance lease agreements are accounted for as fixed assets with the capital element also being treated as a creditor. The hire purchase and lease repayments are treated as consisting of capital and interest elements. The capital element is applied to reduce the creditor and the interest element is charged to profit in proportion to the reducing capital element outstanding.

Hire purchase assets are depreciated over their expected useful life while finance lease assets are depreciated over the shorter of their lease term and useful life.

##### **STOCK AND WORK IN PROGRESS**

Stock and work in progress is valued at the lower of cost and net realisable value.



# **VIRTUAL RESOURCES LIMITED**

## **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH NOVEMBER 1999**

### **1. PRINCIPAL ACCOUNTING POLICIES (continued)**

#### **FINANCING ARRANGEMENTS**

The company utilises a factoring agreement in respect of trade debtors. The terms of the arrangement are such that a separate presentation is suggested by Financial Reporting Standard 5 and the financial statements are prepared on this basis.

#### **PENSION COSTS**

Contributions in respect of the company's self administered pension scheme are charged to the profit and loss account as they are paid.

### **2. TURNOVER**

Turnover represents the amounts invoiced in respect of goods sold and services provided during the year, excluding value added tax. The turnover and pre-tax profit are attributable to the principal activity of the company.

### **3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

	1999 £	1998 £
This is stated after charging:		
Directors' Emoluments	16,058	36,478
Payments to money purchase pension scheme on behalf of director	8,500	25,000
Depreciation	11,018	11,758
Auditors' remuneration	1,200	1,200
	=====	=====

The number of Directors to whom retirement benefits are accruing under money purchase schemes are:

1	1
=====	=====

### **4. TAXATION**

	1999 £	1998 £
Corporation Tax at 20%/21% (1998 – 21%) on profits for the year	16,750	22,331
Underprovision – previous year	155	-
	-----	-----
	16,905	22,331
	=====	=====

# **VIRTUAL RESOURCES LIMITED**

## **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH NOVEMBER 1999**

### **5. FIXED ASSETS**

	Motor Vehicles £	Office Equipment £	Computer Equipment £	Total £
<b>COST</b>				
At 1st December 1998	17,900	2,520	16,603	37,023
Additions	-	356	3,303	3,659
	-----	-----	-----	-----
At 30th November 1999	17,900	2,876	19,906	40,682
	=====	=====	=====	=====
<b>DEPRECIATION</b>				
At 1st December 1998	5,594	2,259	9,192	17,045
Charge for the year	4,475	374	6,169	11,018
	-----	-----	-----	-----
At 30th November 1999	10,069	2,633	15,361	28,063
	=====	=====	=====	=====
<b>NET BOOK VALUE</b>				
At 30th November 1999	7,831	243	4,545	12,619
	=====	=====	=====	=====
At 30th November 1998	12,306	261	7,411	19,978
	=====	=====	=====	=====

The net book value of assets held under hire purchase and finance lease agreements was £7,831 (1998 £12,306). The amount of depreciation charged was £4,475 (1998 £4,475).

### **6. DEBTORS**

	1999 £	1998 £
Trade Debtors	110,017	231,228
	=====	=====

Trade debtors have been financed under an invoice discounting agreement and are subject to a fixed charge in favour of the invoice discounting company.

# **VIRTUAL RESOURCES LIMITED**

## **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30th NOVEMBER 1999**

7. CREDITORS: Amounts falling due within one year	1999 £	1998 £
Bank Overdraft	5,467	13,285
Hire Purchase and Finance Lease Loans (secured)	3,784	3,358
Trade Creditors	23,563	110,814
Corporation Tax due 1st September 2000	16,750	13,331
ACT	-	4,125
Other Taxation and Social Security	10,997	20,434
Directors' Loan Account	172	7,957
Accruals	25,360	3,850
	-----	-----
	86,093	177,154
	=====	=====

Hire purchase contracts and finance lease loans are secured on the assets to which they relate.

8. CREDITORS: Amounts falling due after one year	1999 £	1998 £
Hire Purchase and Finance Lease Loans (secured) (due 1 to 2 years)	3,481	3,784
Hire Purchase and Finance Lease Loans (secured) (due 2 to 5 years)	-	3,481
	-----	-----
	3,481	7,265
	=====	=====

9. SHARE CAPITAL	Authorised		Issued and Fully Paid	
	1999	1998	1999	1998
	£	£	£	£
Ordinary Shares of £1 each	10,000	10,000	10,000	10,000
	=====	=====	=====	=====

**VIRTUAL RESOURCES LIMITED**

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH NOVEMBER 1999**

**10. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS**

	1999 £	1998 £
Profit for the financial year after taxation	52,540	79,785
Dividends	28,000	36,000
	-----	-----
Net addition to shareholders funds	24,540	43,785
Opening shareholders' funds	85,949	42,164
	-----	-----
Closing shareholders' funds	100,489	85,949
	=====	=====