

Company Registration No. 04689345 (England and Wales)

VIRTUAL NET DIRECT LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009

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VIRTUAL NET DIRECT LIMITED

COMPANY INFORMATION

Directors	Mr J Sobowale Mr P R Livett
Secretary	Mr J Sobowale
Company number	04689345
Registered office	1st Floor, Prospect House Mills Road Quarry Wood Industrial Estate Aylesford Kent ME20 7NA
Auditors	Loucas 7 Mill Street Maidstone Kent ME15 6XW
Business address	1st Floor, Prospect House Mills Road Quarry Wood Industrial Estate Aylesford Kent ME20 7NA
Bankers	Thomson Snell & Passmore 3 Lonsdale Gardens Tunbridge Wells Kent TN1 1NX
Solicitors	HSBC Bank Plc 15 Cornhill Dorchester DT1 1BJ

VIRTUAL NET DIRECT LIMITED

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VIRTUAL NET DIRECT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2009

The directors present their report and financial statements for the year ended 31 March 2009.

Principal activities and review of the business

The principal activity of the company continued to be that of providing compliance support services.

Results and dividends

The results for the year are set out on page 5.

Interim ordinary dividends were paid amounting to £61,493. The directors do not recommend payment of a final dividend.

Directors

The following directors have held office since 1 April 2008:

Mr J Sobowale

Mr P R Livett

Auditors

The auditors, Loucas , are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 that 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.

VIRTUAL NET DIRECT LIMITED

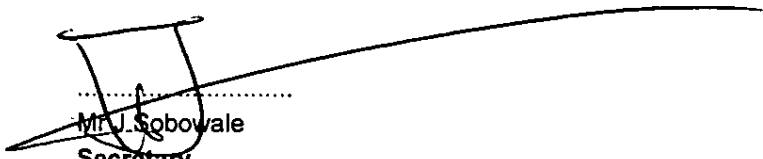
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2009

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



.....
Mr. J. Sobowale
Secretary
29/7/2009
.....

VIRTUAL NET DIRECT LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF VIRTUAL NET DIRECT LIMITED

We have audited the financial statements of Virtual Net Direct Limited for the year ended 31 March 2009 set out on pages 5 to 14. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 information specified by law regarding directors' remuneration and other transactions 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 audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

The company's financial statements for the year ended 31 March 2008 were unaudited.

VIRTUAL NET DIRECT LIMITED

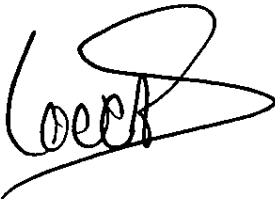
INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF VIRTUAL NET DIRECT LIMITED

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2009 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.



Loucas

31/3/2009

Chartered Certified Accountants
Registered Auditors

7 Mill Street
Maidstone
Kent
ME15 6XW

VIRTUAL NET DIRECT LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2009

	Notes	2009 £	2008 £
Turnover	2	230,457	131,231
Administrative expenses		(118,906)	(59,324)
Operating profit	3	111,551	71,907
Other interest receivable and similar income	4	2,162	1,764
Profit on ordinary activities before taxation		113,713	73,671
Tax on profit on ordinary activities	5	-	(3,412)
Profit for the year	12	113,713	70,259

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

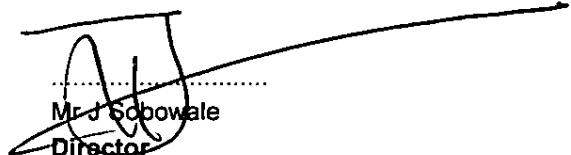
VIRTUAL NET DIRECT LIMITED

BALANCE SHEET

AS AT 31 MARCH 2009

	Notes	2009 £	£	2008 £	£
Fixed assets					
Intangible assets	7		68,181		95,454
Current assets					
Debtors	8	26,443		99,445	
Cash at bank and in hand		105,250		82,364	
		<u>131,693</u>		<u>181,809</u>	
Creditors: amounts falling due within one year	9	<u>(3,450)</u>		<u>(317,477)</u>	
Net current assets/(liabilities)			<u>128,243</u>		<u>(135,668)</u>
Total assets less current liabilities			196,424		(40,214)
Creditors: amounts falling due after more than one year	10		<u>(184,418)</u>		-
			<u>12,006</u>		<u>(40,214)</u>
Capital and reserves					
Called up share capital	11		1		1
Profit and loss account	12		12,005		(40,215)
Shareholders' funds	13		<u>12,006</u>		<u>(40,214)</u>

Approved by the Board and authorised for issue on 29th July 2009


 Mr J Sobowale
 Director

VIRTUAL NET DIRECT LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2009

	£	2009 £	£	2008 £
Net cash (outflow)/inflow from operating activities		(102,201)		34,234
Returns on investments and servicing of finance				
Interest received	2,162		1,764	
Net cash inflow for returns on investments and servicing of finance		2,162		1,764
Taxation		-		(3,412)
Equity dividends paid		(61,493)		-
Net cash (outflow)/inflow before management of liquid resources and financing		(161,532)		32,586
Financing				
Other new long term loans	184,418		-	
Net cash inflow/(outflow) from financing		184,418		-
Increase in cash in the year		22,886		32,586

VIRTUAL NET DIRECT LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2009

1	Reconciliation of operating profit to net cash (outflow)/inflow from operating activities	2009		2008	
		£		£	
	Operating profit	111,551		71,907	
	Amortisation of intangible assets	27,273		27,273	
	Decrease/(increase) in debtors	73,002		(92,484)	
	(Decrease)/Increase in creditors within one year	(314,027)		27,538	
	Net cash (outflow)/inflow from operating activities	(102,201)		34,234	
2	Analysis of net (debt)/funds	1 April 2008		Cash flow	
		£		Other non- 31 March 2009	
		£		cash changes	
	Net cash:	£		£	
	Cash at bank and in hand	82,364	22,886	-	105,250
	Debt:	£		£	
	Debts falling due after one year	-	(184,418)	-	(184,418)
	Net funds/(debt)	82,364	(161,532)	-	(79,168)
3	Reconciliation of net cash flow to movement in net (debt)/funds	2009		2008	
		£		£	
	Increase in cash in the year	22,886		32,586	
	Cash inflow from increase in debt	(184,418)		-	
	Movement in net (debt)/funds in the year	(161,532)		32,586	
	Opening net funds	82,364		49,778	
	Closing net (debt)/funds	(79,168)		82,364	

VIRTUAL NET DIRECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit	2009	2008
	£	£
Operating profit is stated after charging:		
Amortisation of intangible assets	27,273	27,273
Fees payable to the company's auditor for the audit of the company's annual accounts	3,450	-
	<u>27,273</u>	<u>27,273</u>
 4 Investment income	 2009	 2008
	£	£
Other interest	2,162	1,764
	<u>2,162</u>	<u>1,764</u>

VIRTUAL NET DIRECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2009

5	Taxation	2009 £	2008 £
	Domestic current year tax		
	U.K. corporation tax	-	3,412
	Current tax charge	-	3,412
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	113,713	73,671
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.00% (2008 - 20.00%)	23,880	14,734
	Effects of:		
	Tax losses utilised	-	(1,784)
	Adjustments to previous periods	-	3,412
	Other adjustment	-	(353)
	Group relief	(23,880)	(12,597)
		(23,880)	(11,322)
	Current tax charge	-	3,412
6	Dividends	2009 £	2008 £
	Ordinary A interim dividend paid	31,892	-
	Ordinary B interim dividend paid	29,601	-
		61,493	-

VIRTUAL NET DIRECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2009

7 Intangible fixed assets

	Goodwill £
Cost	
At 1 April 2008 & at 31 March 2009	150,000
Amortisation	
At 1 April 2008	54,546
Charge for the year	27,273
At 31 March 2009	81,819
Net book value	
At 31 March 2009	68,181
At 31 March 2008	95,454

8 Debtors	2009 £	2008 £
Trade debtors	26,443	99,445

9 Creditors: amounts falling due within one year	2009 £	2008 £
Amounts owed to parent and fellow subsidiary undertakings	-	292,503
Other creditors	-	24,974
Accruals and deferred income	3,450	-
	3,450	317,477

VIRTUAL NET DIRECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2009

10 Creditors: amounts falling due after more than one year	2009	2008
	£	£
Amounts owed to group undertakings	184,418	-
Analysis of loans		
Not wholly repayable within five years other than by instalments:		
Amounts due to group undertakings	184,418	-
	184,418	-
Loan maturity analysis		
In more than five years	184,418	-
11 Share capital	2009	2008
	£	£
Authorised		
100 Ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
1 Ordinary shares of £1 each	1	1
12 Statement of movements on profit and loss account		Profit and loss account
		£
Balance at 1 April 2008		(40,215)
Profit for the year		113,713
Dividends paid		(61,493)
Balance at 31 March 2009		12,005

VIRTUAL NET DIRECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2009

13 Reconciliation of movements in shareholders' funds	2009 £	2008 £
Profit for the financial year	113,713	70,259
Dividends	(61,493)	-
Net addition to shareholders' funds	52,220	70,259
Opening shareholders' funds	(40,214)	(110,473)
Closing shareholders' funds	12,006	(40,214)

14 Directors' emoluments	2009 £	2008 £
Emoluments for qualifying services	10,801	10,000

15 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2009 Number	2008 Number
Management	2	2

Employment costs

	2009 £	2008 £
Wages and salaries	10,801	12,115

16 Control

The immediate parent company is Virtual Net Holdings Limited, a company registered in England and Wales, and the ultimate parent company is Virtual Net Group of Companies Limited, a company registered in England and Wales.

Virtual Net Group of Companies Limited prepares group financial statements and copies can be obtained from the Registered Office.

VIRTUAL NET DIRECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2009

17 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

During the year dividends amounting to £31,892 (2008 - nil) were paid to Mr J Sobowale and dividends amounting to £29,601 (2008 - nil) were paid to Mr P Livett.

18 Group restructure

On 31 July 2008 the ordinary share capital of the parent company, Virtual Net Holdings Ltd, was acquired by Virtual Net Group of Companies Ltd.