

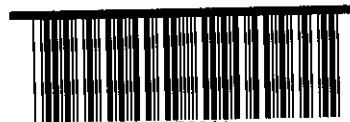
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RESOURCE DEVELOPMENT INTERNATIONAL LIMITED

FINANCIAL STATEMENTS

30 SEPTEMBER 1999



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PILLEY & FLORSHAM
CHARTERED CERTIFIED ACCOUNTANTS
29 WARWICK ROAD
COVENTRY
CV1 2ES

RESOURCE DEVELOPMENT INTERNATIONAL LIMITED

REPORT AND FINANCIAL STATEMENTS

30 SEPTEMBER 1999

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RESOURCE DEVELOPMENT INTERNATIONAL LIMITED

COMPANY INFORMATION

DIRECTORS

J Holden

M Holden

SECRETARY AND REGISTERED OFFICE

F Grech

6 Westwood House

Westwood Business Park

Coventry

CV4 8HS

AUDITORS

Pilley & Florsham

29 Warwick Road

COVENTRY

CV1 2ES

RESOURCE DEVELOPMENT INTERNATIONAL LIMITED

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 1999

The directors submit their Annual Report and the audited financial statements of the company and group for the year ended 30 September 1999.

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 group and of the profit or loss of the group 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;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company/group will continue in business.

The directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITIES

The principal activity of the company and group continues to be that of organising distance learning courses for students and other training requirements of commercial and industrial organisations. This activity being carried out by this company and a subsidiary in the UK and a further six subsidiaries or sub-subsidiaries in the Far East, Europe and the USA.

REVIEW OF THE YEAR

The groups results are shown in the consolidated profit and loss account on page 5. The turnover of the groups has expanded significantly in the year under review. The group profit before tax has suffered due to initial trading losses of subsidiaries building up their businesses and client base. The directors feel that the group accounts are satisfactory and are pleased to report that the groups current trading is at least equivalent to last year and the subsidiaries formed in 1998/99 are trading at least at break - even.

DIRECTORS

The directors who have served during the year and their interests in the share capital of the company were as follows:-

	<u>Ordinary shares of £1 each</u>	
	<u>1999</u>	<u>1998</u>
J Holden	75500	75500
M Holden	24500	24500

Since 30 September 1999 Mr J Holden has acquired the other 24500 shares in issue.

RESOURCE DEVELOPMENT INTERNATIONAL LIMITED

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 1999

AUDITORS

Pilley & Florsham have expressed their willingness to continue as auditors and a resolution for their re-appointment will be proposed at the forthcoming annual general meeting.

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

On behalf of the Board

Date: 12 June 2000

J Holden
Director

A handwritten signature in black ink, appearing to be 'J Holden', written over the printed name and title.

AUDITORS' REPORT

TO THE MEMBERS OF RESOURCE DEVELOPMENT INTERNATIONAL LIMITED

We have audited the financial statements on pages 5 to 17 which have been prepared under the historical cost convention and the accounting policies set out on pages 8 to 9.

Respective responsibilities of directors and auditors

As described on page 2, the company's and group's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on these 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 error, fraud or other irregularity. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

We also, as part of our audit procedures, examine the reports of the subsidiaries RDI Limited, RDI Management Learning Limited, RDI Management Learning PTE Limited, and Resource Development International (USA) Limited not audited by ourselves. We have also reviewed the completion statements of the accountants responsible for Intercambio Cultural RDISL and RDI Hellas SA.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's and group's affairs at 30 September 1999 and of its profit for the group for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

29 Warwick Road
COVENTRY
CV1 2ES

Date:

12th June 2000


PILLEY & FLORSHAM
REGISTERED AUDITOR
CHARTERED CERTIFIED ACCOUNTANTS

RESOURCE DEVELOPMENT INTERNATIONAL LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 1999

	<u>Note</u>	<u>Total</u> <u>1999</u> <u>£</u>	<u>Total</u> <u>1998</u> <u>£</u>
<u>TURNOVER</u>	2	2351554	1879164
Cost of sales		<u>1082734</u>	<u>279219</u>
<u>GROSS PROFIT</u>		1268820	1599945
Administrative expenses		<u>1204911</u>	<u>1526498</u>
<u>OPERATING PROFIT</u>	3	63909	73447
Interest receivable and similar income	4a	9244	9699
Interest payable and similar charges	4b	<u>(6217)</u>	<u>(5254)</u>
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		66936	77892
Tax on profit on ordinary activities	5	<u>34595</u>	<u>46120</u>
<u>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</u>		32341	31772
Minority interests		<u>(19502)</u>	<u>(5543)</u>
<u>PROFIT ATTRIBUTABLE TO SHAREHOLDERS</u>		12839	26229
Retained profits brought forward		40085	12610
Exchange movement in year	1J	<u>169</u>	<u>1246</u>
Retained profits carried forward		<u>53093</u>	<u>40085</u>

All of the groups operations are classed as continuing, please see note 1b.

The group had no recognised gains or losses other than the profit for the period.

The notes on pages 8 to 17 form part of these financial statements.

RESOURCE DEVELOPMENT INTERNATIONAL LIMITED

GROUP BALANCE SHEET AS AT 30 SEPTEMBER 1999

	<u>Note</u>	<u>1999</u>	<u>1998</u>
		<u>£</u>	<u>£</u>
<u>FIXED ASSETS</u>			
Tangible assets	7a	102323	134065
Intangible assets	8a	104518	87665
		<u>206841</u>	<u>221730</u>
<u>CURRENT ASSETS</u>			
Debtors	10	205940	144268
Cash at bank		<u>374400</u>	<u>271190</u>
		<u>580340</u>	<u>415458</u>
<u>CREDITORS: amounts falling due within one year</u>			
Bank overdraft	11	32212	13557
Trade creditors		317564	150456
Other creditors	12	<u>143816</u>	<u>190275</u>
		<u>493592</u>	<u>354288</u>
<u>NET CURRENT ASSETS</u>		<u>86748</u>	<u>61170</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		<u>293589</u>	<u>282900</u>
<u>CREDITORS: amounts falling due after one year</u>	13	<u>37278</u>	<u>46366</u>
		<u>256311</u>	<u>236534</u>
Financed by:			
<u>CAPITAL AND RESERVES</u>			
Called up share capital	14	100000	100000
Consolidation reserve	15	81757	81757
Profit and loss account		<u>53093</u>	<u>40085</u>
Shareholders funds	16	234850	221842
Minority interests		<u>21461</u>	<u>14692</u>
		<u>256311</u>	<u>236534</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small groups and the financial reporting standard for smaller entities (effective March 1999)

Approved by the board on 12 June 2000.

 DIRECTOR
J Holden

The notes on pages 8 to 17 form part of these financial statements.

RESOURCE DEVELOPMENT INTERNATIONAL LIMITED

COMPANY BALANCE SHEET AS AT 30 SEPTEMBER 1999

	Note	1999 £	1998 £
<u>FIXED ASSETS</u>			
Tangible assets	7b	62488	126390
Intangible assets	8b	62145	42959
Investments	9	133804	95627
		<u>258437</u>	<u>264976</u>
<u>CURRENT ASSETS</u>			
Debtors	10	118720	115758
Cash at bank		9168	873
		<u>127888</u>	<u>116631</u>
<u>CREDITORS: amounts falling due within one year</u>			
Bank overdraft	11	-	13557
Trade creditors		26328	83793
Other creditors	12	39821	125667
		<u>66149</u>	<u>223017</u>
<u>NET CURRENT ASSETS (LIABILITIES)</u>		61739	(106386)
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		320176	158590
<u>CREDITORS: amounts falling due after one year</u>	13	37278	45411
		<u>282898</u>	<u>113179</u>
Financed by:			
<u>CAPITAL AND RESERVES</u>			
Called up share capital	14	100000	100000
Profit and loss account		182898	13179
<u>SHARESHOLDERS' FUNDS</u>		<u>282898</u>	<u>113179</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and the financial reporting standard for smaller entities (effective March 1999)

Approved by the board on 12 June 2000.

 DIRECTOR
J Holden

The notes on pages 8 to 17 form part of these financial statements.

RESOURCE DEVELOPMENT INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1999

1. ACCOUNTING POLICIES

The principal accounting policies adopted by the company and group are as follows and are consistent with those applied in previous years unless otherwise indicated.

a. Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention. The effect of events relating to the year ended 30 September 1999 which occurred before the date of approval of the financial statements by the Board of Directors have been included in the statements to the extent required to show a true and fair view of the state of affairs of the company and group at 30 September 1999 and of the group profit for the year ended on that date.

b. Basis of consolidation

On 17 September 1996, as part of a share swap arrangement, RDI Limited was acquired by this company.

The consolidated financial statements have been prepared on the basis that this share swap represented a merger as defined by FRS Number 6. All other subsidiaries acquired have been consolidated by the acquisition method.

The group profit and loss account and balance sheet combines the figures of all subsidiaries for the years ended 30 September 1998 and 1999. Unless stated to the contrary inter group transactions have been eliminated.

c. Depreciation

Depreciation is provided on all fixed assets calculated to write down the cost over the expected normal life of such assets.

The principal rates are:-

Fixtures and fittings, office equipment	- 15% reducing balance/20% straight line
Motor Vehicles	- 25% reducing balance

d. Deferred taxation

In accordance with standard accounting practice no provision is made for deferred taxation where, in the opinion of the directors, no such liability will arise for the foreseeable future.

e. Goodwill

In accordance with standard accounting practice purchased goodwill is being written off over a period of 5 years, commencing with the period ended 30 September 1995. Following the issue of FRS 10 goodwill arising on consolidation is written off over five years commencing from the year the subsidiary is acquired.

RESOURCE DEVELOPMENT INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1999

(Continued)

f. Pension scheme

The company and group operate a small self administered pension scheme to enable them to provide retirement benefits for the directors. The company and group also operates a defined contribution pension scheme whereby the company and group makes contributions to insurance companies to enable them to provide retirement benefits for certain employees of the company. The pension contributions made by the company and group under this arrangement (stated net of the personal contributions received from the individual directors/employees) are shown in the notes to the financial statements.

g. Operating leases

Operating leases are written off to the profit and loss account on a remittance basis. Future obligations under these leases are shown in the notes to the financial statements.

h. Finance leases

Material fixed assets purchased via finance leases are capitalised. The obligations under these finance agreements are shown separately in creditors. Depreciation is charged on the fixed assets in accordance with the policy outlined above. The finance costs of these leases are written off to the profit and loss account in accordance with the straight line method.

i. FRS1 - cash flow statements

Under the guidelines outlined in this statement, small companies and groups are exempt from the preparation of cash flow statements. The company and group being eligible, the directors have taken advantage of this exemption.

j. Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. All foreign currency transactions during the period are converted at the exchange rates existing on the respective transaction dates.

Foreign exchange gains or losses are credited or charged, respectively to the profit and loss account, apart from the exchange movement arising on the revenue profits brought forward which is shown separately on the profit and loss account.

k. Product development expenditure

The company has capitalised the expenditure incurred in 1997/98 and 1998 99 financial years on a specific new project known as Business Edge. This expenditure is amortised over four years commencing from 1 October 1998.

2. TURNOVER

Turnover represents the invoiced amount of goods sold and services provided (stated net of Value Added Tax).

RESOURCE DEVELOPMENT INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1999

(Continued)

3. <u>OPERATING PROFIT</u>	<u>Group</u> <u>1999</u>	<u>Group</u> <u>1998</u>
Operating profit is arrived at after charging:	£	£
Depreciation	23760	26052
Amortisation - purchased goodwill	2702	2702
- consolidation goodwill	13176	11176
- Development Expenditure	20190	-
Auditors remuneration	10160	7440
Pension costs	74052	25194
Directors emoluments	112000	101000
Profit on sale of tangible fixed assets	(45155)	-
Operating leasing costs:		
Property	41265	25931
Equipment	12380	24993
	<u> </u>	<u> </u>
 4a. <u>OTHER INTEREST RECEIVABLE AND SIMILAR INCOME</u>		
Bank interest received	<u>9244</u>	<u>9699</u>
 4b. <u>INTEREST PAYABLE AND SIMILAR CHARGES</u>		
Bank overdraft	1793	766
Loan interest	172	3779
Hire purchase	4252	709
	<u>6217</u>	<u>5254</u>
 5. <u>TAX ON PROFIT ON ORDINARY ACTIVITIES</u>		
Corporation tax at marginal rates	-	54000
Overseas taxation - payable	(34673)	(12273)
- recoverable	-	(20150)
Prior year adjustments	78	(3)
	<u>(34595)</u>	<u>46120</u>

The company has claimed group relief from a fellow subsidiary company and utilised losses brought forward from earlier years to extinguish its corporation tax liability on the profit for the year. The company has trading losses totaling £91000 (1998: £201 000) to offset against future trading profits.

RESOURCE DEVELOPMENT INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1999

(Continued)

6. COMPANY PROFIT AND LOSS ACCOUNT

The company has taken advantage of section 230 of the Companies Act 1985 and not produced a company profit and loss account. Of the profit attributable to shareholders £169641 (1998 £51127) is dealt with in the accounts of the parent company.

7a. TANGIBLE ASSETS - Group

	<u>Motor Vehicle</u>	<u>Boats</u>	<u>Fixtures and fittings, Office equipment</u>	<u>Total</u>
<u>Cost</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
At 30 September 1998	61141	114319	47339	222799
Additions	-	-	39522	39522
Exchange movement	-	-	75	75
Disposals	-	(114319)	-	(114319)
At 30 September 1999	<u>61141</u>	<u>-</u>	<u>86936</u>	<u>148077</u>
<u>Depreciation</u>				
At 30 September 1998	3821	66764	18149	88734
Charge for the year	14330	-	9430	23760
Exchange movement	-	-	24	24
Eliminated on disposal	-	(66764)	-	(66764)
At 30 September 1999	<u>18151</u>	<u>-</u>	<u>27603</u>	<u>45754</u>
<u>Net book value</u>				
At 30 September 1999	<u>42990</u>	<u>-</u>	<u>59333</u>	<u>102323</u>
At 30 September 1998	<u>57320</u>	<u>47555</u>	<u>29190</u>	<u>134065</u>

Tangible assets include the following amounts in respect of assets purchased on finance leases.

	<u>1999</u>	<u>1998</u>
	<u>£</u>	<u>£</u>
Net book value	<u>46289</u>	<u>87226</u>
Depreciation charge for the year	<u>15833</u>	<u>13694</u>

RESOURCE DEVELOPMENT INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1999

(Continued)

7b. TANGIBLE ASSETS - Company

<u>Cost</u>	<u>Motor Vehicle</u> £	<u>Boats</u> £	<u>Fixtures and fittings, Office equipment</u> £	<u>Total</u> £
At 30 September 1998	61141	114319	36467	211927
Additions	-	-	1878	1878
Disposals	-	(114319)	-	(114319)
At 30 September 1999	61141	-	38345	99486
<u>Depreciation</u>				
At 30 September 1998	3821	66764	14952	85537
Charge for the year	14330	-	3895	18225
Eliminated on disposal	-	(66764)	-	(66764)
At 30 September 1999	18151	-	18847	36998
<u>Net book value</u>				
At 30 September 1999	<u>42990</u>	<u>-</u>	<u>19498</u>	<u>62488</u>
At 30 September 1998	<u>57320</u>	<u>47555</u>	<u>21515</u>	<u>126390</u>

Tangible assets include the following amounts in respect of assets purchased on finance leases.

	<u>1999</u> £	<u>1998</u> £
Net book value	<u>42990</u>	<u>82457</u>
Depreciation charge for the year	<u>14330</u>	<u>12200</u>

RESOURCE DEVELOPMENT INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1999

(Continued)

8a. INTANGIBLE ASSETS - Group

<u>Cost</u>	<u>Purchased goodwill</u> £	<u>Consolidated goodwill</u> £	<u>Product Development expenditure</u> £	<u>Total</u> £
At 30 September 1998	13510	55882	38681	108073
Additions	-	10843	42078	52921
At 30 September 1999	13510	66725	80759	160994
<u>Amortisation</u>				
At 30 September 1998	9232	11176	-	20408
Charge for the year	2702	13176	20190	36068
At 30 September 1999	11934	24352	20190	56476
<u>Net book value</u>				
At 30 September 1999	1576	42373	60569	104518
At 30 September 1998	4278	44706	38681	87665

8b. INTANGIBLE ASSETS - Company

<u>Cost</u>	<u>Purchased goodwill</u> £	<u>Product development expenditure</u> £	<u>Total</u> £
At 30 September 1998	13510	38681	52191
Additions	-	42078	42078
At 30 September 1999	13510	80759	94269
<u>Amortisation</u>			
At 30 September 1998	9232	-	9232
Charge for the year	2702	20190	22892
At 30 September 1999	11934	20190	32124
<u>Net book value</u>			
At 30 September 1999	1576	60569	62145
At 30 September 1998	4278	38681	42959

RESOURCE DEVELOPMENT INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1999

(Continued)

9. <u>INVESTMENT – Company</u>	<u>1999</u> £	<u>1998</u> £
At Cost	133804	95627
<u>Shares in group companies</u>		
<u>Directly owned subsidiaries</u>	<u>Location</u>	<u>Proportion of Ordinary shares held</u>
RDI Consultants Limited	UK	100%
RDI Limited	Hong Kong	100%
Intercambia Cultural RDI SL	Spain	100%
Resource Development International USA Limited	USA	100%
RDI Hellas SA	Greece	51%
<u>Indirectly owned via RDI Limited</u>		
RDI Management Learning Limited	Hong Kong	85%
RDI Management Learning PTE Limited	Singapore	80%

All the above subsidiaries' principal activity is the provision and supervision of distant learning courses and other training requirements.

10. <u>DEBTORS</u>	<u>Group</u> <u>1999</u>	<u>Company</u> <u>1999</u>	<u>Group</u> <u>1998</u>	<u>Company</u> <u>1998</u>
Trade debtors	199054	24636	124053	101491
Other debtors	-	-	4450	-
Amounts owed by subsidiary companies	-	92539	-	6382
Prepayments and accrued income	6886	1545	15765	7885
	<u>205940</u>	<u>118720</u>	<u>144268</u>	<u>115758</u>

11. BANK OVERDRAFT

The bank overdraft is secured by a Debenture over all of the company's assets dated 11 February 1999. There is also a cross guarantee between this company and RDI Consultants Limited.

RESOURCE DEVELOPMENT INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1999

(Continued)

12. <u>OTHER CREDITORS</u>	<u>Group</u> <u>1999</u>	<u>Company</u> <u>1999</u>	<u>Group</u> <u>1998</u>	<u>Company</u> <u>1998</u>
Loan secured	-	-	33569	33569
Corporation tax	26881	-	46122	54000
Other taxes and social security	19856	15210	11654	9117
Directors loan accounts	-	-	8189	-
Accruals and deferred income	87986	16478	69386	9776
Other creditors	-	-	11072	11072
Finance leases	9093	8133	10283	8133
	<u>143816</u>	<u>39821</u>	<u>190275</u>	<u>125667</u>

13. CREDITORS: amounts falling due after one year

Finance leases	<u>37278</u>	<u>37278</u>	<u>46366</u>	<u>45411</u>
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Finance leases repayments are phased as follows:

Payable within two years	<u>37278</u>	<u>37278</u>	<u>9089</u>	<u>8134</u>
Payable within three years	<u>-</u>	<u>-</u>	<u>37277</u>	<u>37277</u>

14. CALLED UP SHARE CAPITAL

	<u>Group and</u> <u>Company</u> <u>1999</u> <u>£</u>	<u>Group and</u> <u>Company</u> <u>1998</u> <u>£</u>
Authorised:		
100000 Ordinary shares of £1 each	<u>100000</u>	<u>100000</u>
Issued:		
100000 Ordinary shares of £1 each fully paid	<u>100000</u>	<u>100000</u>

RESOURCE DEVELOPMENT INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1999

(Continued)

15. **CONSOLIDATION RESERVE**

This reserve represents the difference between the net assets of RDI Limited at the effective accounting date of the merger and the value of the shares issued.

16. <u>RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS</u>	<u>Group</u> <u>1999</u>	<u>Group</u> <u>1998</u>
As required by FRS3, a reconciliation of the movement in shareholders' funds is shown below:-	£	£
Profit on ordinary activities after taxation and minority interests	12839	26229
Exchange movement	169	1246
	<hr/>	<hr/>
Net addition to shareholders' funds	13008	27475
Opening shareholders' funds	221842	194367
	<hr/>	<hr/>
Closing shareholders' funds	234850	221842
	<hr/> <hr/>	<hr/> <hr/>

17. **CAPITAL COMMITMENTS – Group and company**

Contracted for but not included in the accounts	-	-
	<hr/>	<hr/>
Authorised but not contracted for	120,000	-
	<hr/> <hr/>	<hr/> <hr/>

18. **CONTINGENT LIABILITIES – Group and company**

a. Operating leases:

The company and group has the following commitments under contracts for operating leases covering motor vehicles and other office equipment :

Current commitments	12380	14300
Between two and three years	8700	17500

- b. In addition the company rents office premises at a rental of £ 27125 per annum (1998 - £27125 per annum) and a subsidiary rents office premises on a none cancellable operating lease at a rental of approximately £5700 per annum (1998 - £Nil)

RESOURCE DEVELOPMENT INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1999

(Continued)

19. SUBSEQUENT EVENTS

Subsidiaries

Since the year end the group has expanded by opening a new subsidiary company in Malaysia, RDI Management Learning SDM and also a subsidiary in Italy, RDI Italia. The subsidiaries being owned ninety per cent and eighty per cent respectively.

The directors also have commenced to instigate the opening of subsidiaries in Ghana and India with the intention that these subsidiaries will commence trading, as from approximately October 2000.