

RESOURCE DEVELOPMENT INTERNATIONAL LIMITED

FINANCIAL STATEMENTS

30 SEPTEMBER 2000

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



RESOURCE DEVELOPMENT INTERNATIONAL LIMITED

REPORT AND FINANCIAL STATEMENTS

30 SEPTEMBER 2000

CONTENTS

	<u>Page</u>
Company information	1
Directors' report	2-3
Auditors' report	4
Group profit and loss account	5
Group balance sheet	6-7
Company balance sheet	8
Notes to the financial statements	9-20

RESOURCE DEVELOPMENT INTERNATIONAL LIMITED

COMPANY INFORMATION

DIRECTORS

J Holden

M Holden

SECRETARY AND REGISTERED OFFICE

M Holden

Midland Management Centre

1A Brandon Lane

Coventry

CV3 3RD

AUDITORS

Pilley & Florsham

29 Warwick Road

COVENTRY

CV1 2ES

RESOURCE DEVELOPMENT INTERNATIONAL LIMITED

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2000

The directors submit their Annual Report and the audited financial statements of the company and group for the year ended 30 September 2000.

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. The activity is carried out by this company and a subsidiary in the UK, and a further ten subsidiaries or sub-subsidiaries in the Far East, Europe, Africa, India and the USA.

REVIEW OF THE YEAR

The group's results are shown in the consolidated profit and loss account on page 5. The turnover of the group has expanded significantly in the year under review and this has been reflected in the group's overall profitability. The directors feel that the group accounts are satisfactory and are pleased to report that the group's current trading is at least equivalent to last year. The UK operations have also recently moved to their new purpose-built training centre and can now continue to expand the UK operation.

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>2000</u>	<u>1999</u>
J Holden	100,000	75500
M Holden	-	24500

RESOURCE DEVELOPMENT INTERNATIONAL LIMITED

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2000

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:

22nd June 2001

J Holden
Director



AUDITORS' REPORT

TO THE MEMBERS OF RESOURCE DEVELOPMENT INTERNATIONAL LIMITED

We have audited the financial statements on pages 5 to 20 which have been prepared under the historical cost convention and the accounting policies set out on pages 9 to 11.

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.

As part of our audit procedures, we have examined the reports of the subsidiaries RDI Limited, RDI Management Learning 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, RDI Hellas SA and Resource Development International Italia Srl.

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 2000 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: 22.06.01


PILLEY & FLORSHAM
REGISTERED AUDITORS
CHARTERED CERTIFIED ACCOUNTANTS

RESOURCE DEVELOPMENT INTERNATIONAL LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2000

	<u>Note</u>	<u>2000</u> <u>£</u>	<u>1999</u> <u>£</u>
<u>TURNOVER</u>	2	3750990	2351554
Cost of sales		<u>1708403</u>	<u>1082734</u>
<u>GROSS PROFIT</u>		2042587	1268820
Administrative expenses		<u>1759362</u>	<u>1298676</u>
<u>OPERATING PROFIT (LOSS)</u>	3	283225	(29856)
Interest receivable and similar income	4a	15929	9244
Interest payable and similar charges	4b	<u>(15139)</u>	<u>(6217)</u>
<u>PROFIT (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		284015	(26829)
Tax on profit (loss) on ordinary activities	5	<u>(126712)</u>	<u>(19340)</u>
<u>PROFIT (LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION</u>		157303	(46169)
Minority interests		<u>(92055)</u>	<u>(3800)</u>
<u>PROFIT (LOSS) ATTRIBUTABLE TO SHAREHOLDERS</u>		65248	(49969)
Retained (losses) profits brought forward, restated	6	(9715)	40085
Exchange movement in year	1j	<u>(4193)</u>	<u>169</u>
Retained profits (losses) carried forward		<u>51340</u>	<u>(9715)</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 comparative figures have been restated in respect of the prior year adjustment. Please see note 6.

The notes on pages 9 to 20 form part of these financial statements.

RESOURCE DEVELOPMENT INTERNATIONAL LIMITED

GROUP BALANCE SHEET AS AT 30 SEPTEMBER 2000

	<u>Note</u>	<u>£</u>	<u>2000</u> <u>£</u>	<u>£</u>	<u>1999</u> <u>£</u>
<u>FIXED ASSETS</u>					
Tangible assets	9		171892		102323
Intangible assets	11a		66853		104518
Investments	12		29487		-
			<u>268232</u>		<u>206841</u>
<u>CURRENT ASSETS</u>					
Debtors	13	256582		112175	
Cash at bank		<u>578090</u>		<u>374400</u>	
			<u>834672</u>		<u>486575</u>
<u>CREDITORS: amounts falling due within one year</u>					
Bank overdraft	14	22169		32212	
Trade creditors		177858		182552	
Other creditors	15	<u>655753</u>		<u>263573</u>	
			<u>855780</u>		<u>478337</u>
<u>NET CURRENT (LIABILITIES) ASSETS</u>					
			<u>(21108)</u>		<u>8238</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>					
			<u>247124</u>		<u>215079</u>
<u>CREDITORS: amounts falling due after more than one year</u>					
	16		-		37278
<u>PROVISION FOR LIABILITIES AND CHARGES</u>					
Deferred Taxation	17		<u>1488</u>		<u>-</u>
			<u>245636</u>		<u>177801</u>

RESOURCE DEVELOPMENT INTERNATIONAL LIMITED

GROUP BALANCE SHEET AS AT 30 SEPTEMBER 2000

(Continued)

		<u>2000</u> <u>£</u>	<u>1999</u> <u>£</u>
Financed by:			
<u>CAPITAL AND RESERVES</u>			
Called up share capital	18	100000	100000
Consolidation reserve	19	81757	81757
Profit and loss account		<u>51340</u>	<u>(9715)</u>
Shareholders' funds	20	233097	172042
Minority interests		<u>12539</u>	<u>5759</u>
		<u>245636</u>	<u>177801</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 2000).

Approved by the board on 22.06.01.


.....
DIRECTOR
J Holden

The comparative figures have been restated in respect of the prior year adjustment please see note 6.

The notes on pages 9 to 20 form part of these financial statements.

RESOURCE DEVELOPMENT INTERNATIONAL LIMITED

COMPANY BALANCE SHEET AS AT 30 SEPTEMBER 2000

	<u>Note</u>	<u>£</u>	<u>2000</u> <u>£</u>	<u>£</u>	<u>1999</u> <u>£</u>
<u>FIXED ASSETS</u>					
Tangible assets	10		99268		62488
Intangible assets	11b		40879		62145
Investments	12		135589		133804
			<u>275736</u>		<u>258437</u>
<u>CURRENT ASSETS</u>					
Debtors	13	280188		118720	
Cash at bank		<u>55158</u>		<u>9168</u>	
			<u>335346</u>		<u>127888</u>
<u>CREDITORS: amounts falling due within one year</u>					
Trade creditors		30002		26328	
Other creditors	15	<u>229322</u>		<u>39821</u>	
			<u>259324</u>		<u>66149</u>
<u>NET CURRENT ASSETS</u>					
			<u>76022</u>		<u>61739</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>					
			<u>351758</u>		<u>320176</u>
<u>CREDITORS: amounts falling due after more than one year</u>					
	16		<u>-</u>		<u>37278</u>
			<u>351758</u>		<u>282898</u>
Financed by:					
<u>CAPITAL AND RESERVES</u>					
Called up share capital	18		100000		100000
Profit and loss account			<u>251758</u>		<u>182898</u>
<u>SHAREHOLDERS' FUNDS</u>					
			<u>351758</u>		<u>282898</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 2000).

Approved by the board on 22.06.01


.....
DIRECTOR
J Holden

The notes on pages 9 to 20 form part of these financial statements.

RESOURCE DEVELOPMENT INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2000

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 2000 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 2000 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 6. All other subsidiaries acquired have been consolidated by the acquisition method.

The group profit and loss account and balance sheet combine the figures of all subsidiaries apart from RDI (West Africa) Limited and RDI India Limited. These two subsidiaries have not been consolidated into the financial statements for the year ended 30 September 2000 because they were only incorporated in July and August 2000 respectively. 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:-

Freehold land and buildings	- 2% straight line
Fixtures and fittings, office equipment	- 15% reducing balance/20% straight line
Motor Vehicles	- 25% reducing balance

d. Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

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 2000

(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 in note 1c. 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 respectively credited or charged, 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 the financial years 1997/98 and 1998/99 on a specific new project known as Business Edge. This expenditure is amortised over four years commencing from 1 October 1998.

RESOURCE DEVELOPMENT INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2000

(Continued)

1. Advertising expenditure

Advertising expenditure in relation to student intake for distance learning programmes is charged to the profit and loss account when the liabilities are incurred. In the previous year advertising expenses were matched to the appropriate student intakes in a major overseas subsidiary. This policy has been changed in accordance with recent accounting standards, which require intangible assets to be recognised as an expense as incurred. The effect of the change in accounting policy is shown in note 6 to the financial statements.

m. Revenue recognition

Service fee income and commission fee income from universities in enlisting students into distant learning programmes are recognised over the period in which such learning programmes take place.

2. TURNOVER

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

3. <u>OPERATING PROFIT (LOSS)</u>	<u>Group</u> <u>2000</u>	<u>Group</u> <u>1999</u>
Operating profit (loss) is arrived at after charging:	<u>£</u>	<u>£</u>
Depreciation	27965	23760
Amortisation - purchased goodwill	1576	2702
- consolidation goodwill	12581	13176
- development expenditure	20190	20190
Auditors remuneration	22732	10160
Pension costs	124154	74052
Directors emoluments	205098	112000
Loss (profit) on sale of tangible fixed assets	12799	(45155)
Operating leasing costs:		
- property	68336	41265
- equipment	<u>19205</u>	<u>12380</u>

RESOURCE DEVELOPMENT INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2000

(Continued)

	<u>Group</u> <u>2000</u> <u>£</u>	<u>Group</u> <u>1999</u> <u>£</u>
4a. <u>OTHER INTEREST RECEIVABLE AND SIMILAR INCOME</u>		
Bank interest received	<u>15929</u>	<u>9244</u>
4b. <u>INTEREST PAYABLE AND SIMILAR CHARGES</u>		
Bank overdraft	2387	1793
Loan interest	8500	172
Hire purchase	<u>4252</u>	<u>4252</u>
	<u>15139</u>	<u>6217</u>
5. <u>TAX ON PROFIT (LOSS) ON ORDINARY ACTIVITIES</u>		
Corporation tax at marginal rates	6000	-
Overseas taxation – payable	105246	19418
Corporation tax for year ended 30 September 1998	13978	(78)
Deferred taxation	<u>1488</u>	<u>-</u>
	<u>126712</u>	<u>19340</u>

The company has also claimed group relief from a fellow subsidiary company. The company has trading losses totalling £91697 (1999: £91697) to offset against future trading profits.

RESOURCE DEVELOPMENT INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2000

(Continued)

6. PRIOR YEAR ADJUSTMENT

A prior year adjustment has been made with retrospective effect in the current year in compliance with recent accounting standards and as outlined in note 11. The effect on the group's consolidated profit and loss account is as follows:

Retained profits brought forward, as originally reported	53093
Increase in advertising expenditure	(93765)
Reduction in overseas taxation	15255
Minority interests	15702
Retained losses brought forward restated	<u>(9715)</u>

The comparative figures for 1999 have been restated to take account of these adjustments.

7. 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 £68860 (1999 : £169719) is dealt with in the accounts of the parent company.

8. DIRECTORS' EMOLUMENTS

The chairman's and highest paid directors' remuneration totalled £185098 (1999 : £100000). Both directors are members of the self administered pension scheme. The contributions made to this scheme totalled £120000 (1999 : £70000).

RESOURCE DEVELOPMENT INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2000

(Continued)

9. TANGIBLE ASSETS - Group

	<u>Freehold land and buildings</u>	<u>Motor Vehicle</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 1999	-	61141	86936	148077
Additions	133332	24565	27594	185491
Exchange movement	-	-	3412	3412
Disposals	(72528)	-	(33704)	(106232)
At 30 September 2000	<u>60804</u>	<u>85706</u>	<u>84238</u>	<u>230748</u>
<u>Depreciation</u>				
At 30 September 1999	-	18151	27603	45754
Charge for the year	1216	10747	16002	27965
Exchange movement	-	-	933	933
Eliminated on disposal	-	-	(15796)	(15796)
At 30 September 2000	<u>1216</u>	<u>28898</u>	<u>28742</u>	<u>58856</u>
<u>Net book value</u>				
At 30 September 2000	<u>59588</u>	<u>56808</u>	<u>55496</u>	<u>171892</u>
At 30 September 1999	<u>-</u>	<u>42990</u>	<u>59333</u>	<u>102323</u>

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

	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>
Net book value	<u>32243</u>	<u>46289</u>
Depreciation charge for the year	<u>10747</u>	<u>15833</u>

RESOURCE DEVELOPMENT INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2000

(Continued)

10. TANGIBLE ASSETS - Company

<u>Cost</u>	<u>Freehold Land and buildings £</u>	<u>Motor Vehicle £</u>	<u>Fixtures and fittings, Office equipment £</u>	<u>Total £</u>
At 30 September 1999	-	61141	38345	99486
Additions	133332	-	2039	135371
Disposals	(72528)	-	(25208)	(97736)
At 30 September 2000	60804	61141	15176	137121
<u>Depreciation</u>				
At 30 September 1999	-	18151	18847	36998
Charge for the year	1216	10747	3842	15805
Eliminated on disposal	-	-	(14950)	(14950)
At 30 September 2000	1216	28898	7739	37853
<u>Net book value</u>				
At 30 September 2000	<u>59588</u>	<u>32243</u>	<u>7437</u>	<u>99268</u>
At 30 September 1999	<u>-</u>	<u>42990</u>	<u>19498</u>	<u>62488</u>

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

	<u>2000 £</u>	<u>1999 £</u>
Net book value	<u>32243</u>	<u>42990</u>
Depreciation charge for the year	<u>10747</u>	<u>14330</u>

RESOURCE DEVELOPMENT INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2000

(Continued)

11a. 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 1999	13510	66725	80759	160994
Additions	-	(3818)	500	(3318)
At 30 September 2000	13510	62907	81259	157676
<u>Amortisation</u>				
At 30 September 1999	11934	24352	20190	56476
Charge for the year	1576	12581	20190	34347
At 30 September 2000	13510	36933	40380	90823
<u>Net book value</u>				
At 30 September 2000	-	25974	40879	66853
At 30 September 1999	1576	42373	60569	104518

11b. INTANGIBLE ASSETS – Company

<u>Cost</u>	<u>Purchased goodwill</u> £	<u>Product development expenditure</u> £	<u>Total</u> £
At 30 September 1999	13510	80759	94269
Additions	-	500	500
At 30 September 2000	13510	81259	94769
<u>Amortisation</u>			
At 30 September 1999	11934	20190	32124
Charge for the year	1576	20190	21766
At 30 September 2000	13510	40380	53890
<u>Net book value</u>			
At 30 September 2000	-	40879	40879
At 30 September 1999	1576	60569	62145

RESOURCE DEVELOPMENT INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2000

(Continued)

12. <u>INVESTMENTS – Company and group</u>	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>
<u>Company</u>		
At cost	135589	133804
<u>Group</u>		
Unconsolidated subsidiaries at cost, see note 1b	29487	-
<u>Shares in group subsidiaries</u>	<u>Location</u>	<u>Group Proportion of Ordinary shares held</u>
<u>Directly owned subsidiaries</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%
Resource Development International Italia srl.	Italy	90%
<u>Indirectly owned via RDI Limited</u>		
RDI Management Learning Limited	Hong Kong	80%
RDI Management Learning PTE Limited *	Singapore	64%
RDI Management Learning Sdn Bhd *	Malaysia	80%
RDI (West Africa) Limited	Ghana (West Africa)	60%
RDI India Limited	India	80%

The principle activity of all the above subsidiaries' is the provision and supervision of distance learning courses and other training requirements.

* These subsidiaries are owned by RDI Management Learning Limited.

13. <u>DEBTORS</u>	<u>Group</u>	<u>Company</u>	<u>Group</u>	<u>Company</u>
	<u>2000</u>	<u>2000</u>	<u>1999</u>	<u>1999</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Trade debtors	171835	17962	105289	24636
Amounts owed by subsidiary companies	-	258912	-	92539
Prepayments and accrued income	84747	3314	6886	1545
	<u>256582</u>	<u>280188</u>	<u>112175</u>	<u>118720</u>

14. 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 2000

(Continued)

15. <u>OTHER CREDITORS</u>	<u>Group</u> <u>2000</u> <u>£</u>	<u>Company</u> <u>2000</u> <u>£</u>	<u>Group</u> <u>1999</u> <u>£</u>	<u>Company</u> <u>1999</u> <u>£</u>
Corporation and overseas tax	124530	19978	11626	-
Other taxes and social security	28212	25866	19856	15210
Accruals and deferred income	345234	30156	222998	16478
Other creditors	5699	1244	-	-
Finance leases	37278	37278	9093	8133
Loan from pension fund	114800	114800	-	-
	<u>655753</u>	<u>229322</u>	<u>263573</u>	<u>39821</u>
16. <u>CREDITORS: amounts falling due after more than one year</u>				
Finance leases	-	-	37278	37278
Finance lease repayments are phased as follows:				
Payable within two years	-	-	37278	37278
17. <u>PROVISION FOR LIABILITIES AND CHARGES</u>			<u>2000</u>	<u>1999</u>
Deferred taxation Group.			<u>£</u>	<u>£</u>
At 1 October 1999			-	-
Provision for the year			1488	-
At 30 September 2000			<u>1488</u>	<u>-</u>
The provision represents excess tax allowances claimed over depreciation charged in a subsidiary company. No provision for deferred taxation is required for the company due to the availability of brought forward trading losses.				
18. <u>CALLED UP SHARE CAPITAL</u>			<u>Group and</u> <u>Company</u> <u>2000</u> <u>£</u>	<u>Group and</u> <u>Company</u> <u>1999</u> <u>£</u>
Authorised:				
100000 Ordinary shares of £1 each			100000	100000
Issued:				
100000 Ordinary shares of £1 each, fully paid			100000	100000

RESOURCE DEVELOPMENT INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2000

(Continued)

19. 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.

20. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	<u>2000</u> <u>Group</u> <u>£</u>	<u>1999</u> <u>Group</u> <u>£</u>
As required by FRS3, a reconciliation of the movement in shareholders' funds is shown below:-		
Profit (loss) on ordinary activities after taxation and minority interests	65248	(49969)
Exchange movement	(4193)	169
Net addition to (reduction in) shareholders' funds	61055	(49800)
Opening shareholders' funds	172042	221842
Closing shareholders' funds	<u>233097</u>	<u>172042</u>

21. CAPITAL COMMITMENTS – Group and company

Contracted for but not included in the accounts	-	-
Authorised but not contracted for	-	120000

22. 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	12500	12380
Between two and three years	-	8700

- b.** In addition the company rents office premises at a rental of £27125 per annum (1999:£27125 per annum) and a subsidiary rents office premises on a non-cancellable operating lease at a rental of approximately £15300 per annum (1999:£5700). The company's lease expires in June 2001 and the subsidiary's lease expires by September 2001.

RESOURCE DEVELOPMENT INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2000

(Continued)

23. **SUBSEQUENT EVENTS**

On 1 October 2000 Resource Development International Limited transferred its trade and trading assets to its subsidiary RDI Consultants Limited. From this date the company acts solely as a holding company.

In April 2001 the company opened a subsidiary in Scotland, the company being known as RDI Consultants (Scotland) Limited.