

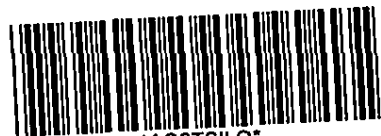
**RESOURCE DEVELOPMENT INTERNATIONAL LIMITED**  
**REGISTERED NUMBER 02450180**

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 2009**

**PRIME**  
**CHARTERED ACCOUNTANTS**  
**REGISTERED AUDITOR**  
**29 WARWICK ROAD**  
**COVENTRY**  
**CV1 2ES**

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**RESOURCE DEVELOPMENT INTERNATIONAL LIMITED**

**REGISTERED NUMBER 02450180**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 2009**

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**RESOURCE DEVELOPMENT INTERNATIONAL LIMITED**

**REGISTERED NUMBER 02450180**

**COMPANY INFORMATION**

**DIRECTORS**

J Holden  
M Holden  
Dr P Hallam  
A C Cawley

**SECRETARY AND REGISTERED OFFICE**

M Holden  
Midland Management Centre  
1A Brandon Lane  
COVENTRY  
CV3 3RD

**AUDITORS**

Prime  
Chartered Accountants  
Registered Auditor  
29 Warwick Road  
COVENTRY  
CV1 2ES

**RESOURCE DEVELOPMENT INTERNATIONAL LIMITED**  
**REGISTERED NUMBER 02450180**

**REPORT OF THE DIRECTORS**

**FOR THE FINANCIAL YEAR ENDED 31 JULY 2009**

The directors submit their Annual Report and the audited financial statements of the company and group for the year ended 31 July 2009

**PRINCIPAL ACTIVITIES**

The principal activity of the 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, by a subsidiary in the Far East and a subsidiary in the USA. The group also have numerous partners (agents) throughout the world.

**REVIEW OF BUSINESS**

The group's results and dividends paid for the year ended 31 July 2009 are shown in the consolidated profit and loss account on page 6.

The directors are pleased to report the Group results for the year ended 31 July 2009 (financial year 2009) shown in the consolidated profit and loss account on page 6. Following the major restructuring of the business in the financial year 2008, the priorities during the financial year 2009 have been further investment and growth. Despite the global economic situation during 2009 there has been strong growth in both turnover and profit throughout the Group. Management Accounts for the financial year 2010 report continued and sustainable growth in all regions. The recent investment in The Institute of Business and Management Limited (refer to page 19) provides further opportunity for substantial growth.

No performance ratios are separately disclosed as the directors feel the relevant ratios can be ascertained from the financial statements.

**DIVIDENDS**

Interim dividends of £200,000 were paid in the year. The directors do not recommend a final dividend.

The total distribution of dividends for the year ended 31 July 2009 was £200,000 (2008: £124,096).

**DIRECTORS**

The directors who have served during the year were as follows -

J Holden  
M Holden  
Dr P Hallam  
A C Cawley

**RESOURCE DEVELOPMENT INTERNATIONAL LIMITED**  
**REGISTERED NUMBER 02450180**

**REPORT OF THE DIRECTORS (CONTINUED)**

**FOR THE FINANCIAL YEAR ENDED 31 JULY 2009**

**DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors and 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 year. 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 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 2006. 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

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information

**AUDITORS**

The auditors, Prime, are deemed to be reappointed under Section 487 (2) of the Companies Act 2006

**On behalf of the Board**

  
.....  
J Holden  
DIRECTOR

Date 10 March 2010.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF RESOURCE DEVELOPMENT INTERNATIONAL LIMITED**

We have audited the financial statements of Resource Development International Limited for the year ended 31 July 2009 on pages six to twenty-six. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 a Report of the Auditors 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 directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### **Opinion**

In our opinion the financial statements,

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 July 2009 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.


**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF  
RESOURCE DEVELOPMENT INTERNATIONAL LIMITED**

**(CONTINUED)**

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit,

  
K H Johns - (Senior Statutory Auditor)  
for and on behalf of Prime  
Chartered Accountants  
Registered Auditor  
29 Warwick Road  
COVENTRY  
CV1 2ES

Date

**RESOURCE DEVELOPMENT INTERNATIONAL LIMITED**  
**REGISTERED NUMBER 02450180**

**GROUP PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 JULY 2009**

Note

		<u>2009</u> <u>£</u>	<u>2008</u> <u>£</u>
<b><u>TURNOVER</u></b>	2	7,783,551	6,099,359
Cost of sales		(4,006,401)	(3,564,066)
<b><u>GROSS PROFIT</u></b>		3,777,150	2,535,293
Administrative expenses		(3,532,085)	(3,155,730)
<b><u>OPERATING PROFIT/(LOSS)</u></b>	3	245,065	(620,437)
Exceptional item	4	-	691,626
		235,986	71,189
Interest payable and similar charges	5	9,079	56,098
<b><u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u></b>		235,986	15,091
Tax on profit on ordinary activities	6	26,869	30,334
<b><u>PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION</u></b>		209,117	(15,243)
Dividends	9	(200,000)	(124,096)
<b><u>RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR</u></b>		9,117	(139,339)
Retained profits brought forward		110,678	241,281
Exchange movement in year	11	33,052	8,736
<b><u>RETAINED PROFITS CARRIED FORWARD</u></b>		152,847	110,678

There were no changes to the operations of the group in either 2009 or 2008 apart from transfers of trading activities between group companies

The group had no recognised gains or losses other than the results for the year

The notes form part of these financial statements



**RESOURCE DEVELOPMENT INTERNATIONAL LIMITED**  
**REGISTERED NUMBER 02450180**

**GROUP BALANCE SHEET AS AT 31 JULY 2009**

	<u>Note</u>	<u>2009</u>	<u>2008</u>
		£	£
<b><u>FIXED ASSETS</u></b>			
Tangible assets	11a	247,585	279,382
Intangible assets	12a	375,619	237,754
		<u>623,204</u>	<u>517,136</u>
<b><u>CURRENT ASSETS</u></b>			
Debtors	14	2,570,787	1,766,347
Cash at bank		1,413,189	595,129
		<u>3,983,976</u>	<u>2,361,476</u>
<b><u>CREDITORS: amounts falling due within one year</u></b>			
Trade creditors		1,151,819	841,206
Other creditors	16	3,061,738	1,599,789
		<u>4,213,557</u>	<u>2,440,995</u>
<b><u>NET CURRENT LIABILITIES</u></b>		<u>(229,581)</u>	<u>(79,519)</u>
<b><u>TOTAL ASSETS LESS CURRENT LIABILITIES</u></b>		<u>393,623</u>	<u>437,617</u>
<b><u>CREDITORS amounts falling due after more than one year</u></b>	17	26,775	33,665
<b><u>PROVISIONS FOR LIABILITIES</u></b>	18	11,763	91,036
<b><u>NET ASSETS</u></b>		<u>355,085</u>	<u>312,916</u>

The notes form part of these financial statements

**RESOURCE DEVELOPMENT INTERNATIONAL LIMITED**  
**REGISTERED NUMBER 02450180**

**GROUP BALANCE SHEET AS AT 31 JULY 2009**

**(CONTINUED)**

	<u>Note</u>	<u>2009</u>	<u>2008</u>
		<u>£</u>	<u>£</u>
Financed by			
<b><u>CAPITAL AND RESERVES</u></b>			
Called up share capital	19	120,481	120,481
Consolidation reserve	20	81,757	81,757
Profit and loss account	22a	152,847	110,678
<b>SHAREHOLDERS' FUNDS</b>	21	<u>355,085</u>	<u>312,916</u>

Approved by the board on 10th March 2010 and was  
signed on its behalf by:-

  
J Holden

DIRECTOR

The notes form part of these financial statements

**RESOURCE DEVELOPMENT INTERNATIONAL LIMITED**  
**REGISTERED NUMBER 02450180**

**COMPANY BALANCE SHEET AS AT 31 JULY 2009**

	<u>Note</u>	<u>2009</u>	<u>2008</u>
		<u>£</u>	<u>£</u>
<b><u>FIXED ASSETS</u></b>			
Tangible assets	11b	168,592	77,224
Intangible assets	12b	375,619	299
Investments	13	238,089	238,087
		<u>782,300</u>	<u>315,610</u>
<b><u>CURRENT ASSETS</u></b>			
Debtors	14	1,520,140	252,272
Cash at Bank		189,976	6,374
		<u>1,710,116</u>	<u>258,646</u>
<b><u>CREDITORS: amounts falling due within one year</u></b>			
Trade creditors		456,613	1,174
Other creditors	16	1,810,991	332,218
		<u>2,267,604</u>	<u>333,392</u>
<b><u>NET CURRENT LIABILITIES</u></b>		<u>(557,488)</u>	<u>(74,746)</u>
<b><u>TOTAL ASSETS LESS CURRENT LIABILITIES</u></b>		<u>224,812</u>	<u>240,864</u>
<b><u>CREDITORS: amounts falling due after more than one year</u></b>	17	26,775	33,665
<b><u>PROVISIONS FOR LIABILITIES</u></b>	18	9,966	-
<b><u>NET ASSETS</u></b>		<u>188,071</u>	<u>207,199</u>
Financed by			
<b><u>CAPITAL AND RESERVES</u></b>			
Called up share capital	19	120,481	120,481
Profit and loss account	22b	67,590	86,718
<b><u>SHAREHOLDERS' FUNDS</u></b>		<u>188,071</u>	<u>207,199</u>

Approved by the board on  
signed on its behalf by :-

J Holden

DIRECTOR

10th March 2010 and was

The notes form part of these financial statements

**RESOURCE DEVELOPMENT INTERNATIONAL LIMITED**  
**REGISTERED NUMBER 02450180**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009**

**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 in accordance with applicable accounting standards and under the historical cost convention

**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. Any changes to the subsidiaries owned are outlined in note 13 to the financial statements

The group profit and loss account and balance sheet combine the figures of all subsidiaries from the date of acquisition and where relevant to the date of closure. 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	- not depreciated
Short leasehold improvements	- 20% 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. If timing differences are negative, the group only provides for deferred tax assets when the directors feel these assets are realisable in the near future

**e. Goodwill**

In accordance with standard accounting practice, purchased goodwill is being written off over a period of five years. Goodwill arising on consolidation is written off over five years commencing from the year the subsidiary is acquired. As required by statements of standard accounting practice, the directors also review the carrying value of consolidated goodwill and of each subsidiary and make the necessary impairment to this carrying value if required

**RESOURCE DEVELOPMENT INTERNATIONAL LIMITED**  
**REGISTERED NUMBER 02450180**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009**

**(CONTINUED)**

**f. Pension scheme**

The company and group operate a small self administered pension scheme to enable them to provide retirement benefits for certain 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 directors and employees of the group. The pension contributions made by the group under these arrangements (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. 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 year 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.

**j. Product development expenditure**

The company and group has capitalised expenditure incurred on specific distance learning projects. This expenditure is then amortised over five years, commencing from the date the projects start to generate course income.

**k. Investments**

Investments are stated at cost, unless the directors are of the opinion that there is an impairment and it is required to write down the investment to its estimated net realisable value.

**RESOURCE DEVELOPMENT INTERNATIONAL LIMITED**  
**REGISTERED NUMBER 02450180**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009**

**(CONTINUED)**

**l. 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

**m. Revenue recognition**

Income is recognised in correlation to the constituent parts of distance learning courses provided by the group as either principal or as agent. In particular, income is allocated by the directors on a fair value of the total course revenue for the initial enrolment of a student. Further fair values are then allocated for initial tutorial work and for the support function of a student for the remaining term of the course.

In respect of commercial training, income has been consistently recognised on an invoice basis, as in the opinion of the directors this represents a fair value of the work completed. Any grants received, towards distance learning courses or commercial training by the group, are accounted for under the same principles as explained above.

**2. TURNOVER**

Turnover represents the invoiced amount of goods sold and services provided (stated net of value added tax).

The geographical split of turnover was as follows -

	<b><u>2009</u></b> <b><u>£</u></b>	<b><u>2008</u></b> <b><u>£</u></b>
Far East	2,407,188	1,989,711
Europe	4,376,415	3,139,214
United States of America	999,948	970,434
	<b><u>7,783,551</u></b>	<b><u>6,099,359</u></b>

All turnover relates to the group activity namely distance learning and commercial training

**RESOURCE DEVELOPMENT INTERNATIONAL LIMITED**  
**REGISTERED NUMBER 02450180**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009**

**(CONTINUED)**

**3. OPERATING (LOSS)/PROFIT**

	<b><u>2009</u></b>	<b><u>2008</u></b>
	<b><u>£</u></b>	<b><u>£</u></b>
Operating profit/(loss) is arrived at after charging		
Depreciation	77,238	54,357
Amortisation - consolidation goodwill	-	11,618
Amortisation - development expenditure	82,930	42,266
Auditors remuneration - parent company	11,000	7,800
Auditors remuneration - subsidiaries	16,969	20,704
Directors emoluments – parent company	216,565	31,065
Directors emoluments - subsidiaries	294,316	436,811
Loss on sale of tangible and intangible fixed assets	-	452
Operating lease costs		
- property	306,000	230,493
- equipment	36,697	38,813
	<u>          </u>	<u>          </u>

**4. EXCEPTIONAL ITEM**

Damages received on the early expiration of a distance learning contract stated net of any relevant costs and income recognition debtors as at the date of expiration	<u>          </u>	<u>691,626</u>
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**5. INTEREST PAYABLE AND SIMILAR CHARGES**

Bank overdraft	-	22,839
Bank loan interest	-	2,695
Hire purchase	3,293	2,495
Deferred consideration	5,786	10,215
Pension fund interest	-	17,854
	<u>9,079</u>	<u>56,098</u>

**RESOURCE DEVELOPMENT INTERNATIONAL LIMITED**  
**REGISTERED NUMBER 02450180**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009**

**(CONTINUED)**

**6. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	<u>2009</u> £	<u>2008</u> £
UK Corporation tax at marginal rates 26.4% (2008 28%)	69,404	120,529
Overseas taxation	52,262	39,800
Deferred taxation - note 18	(94,797)	(129,995)
	<u>26,869</u>	<u>30,334</u>

A reconciliation of the UK and overseas taxation charge is as follows,

Profit on ordinary activities at 26.4% (2008 28%)	62,300	4,225
Subsidiary losses not offsettable at 28%	-	46,457
Overseas taxation rates adjustment	(14,784)	(29,554)
Overseas taxation, taxed on cash basis	66,805	147,796
United Kingdom taxation disallowables	7,345	5,412
United Kingdom taxation on group dividends	-	(14,007)
	<u>121,666</u>	<u>160,329</u>

**7. STAFF COSTS**

The average number of employees of the group was as follows	<u>61</u>	<u>59</u>
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The employees' remuneration was as follows

	<u>£</u>	<u>£</u>
Salaries	2,160,715	1,676,776
Social security costs	118,306	96,076
Pensions	39,869	87,982
	<u>2,318,890</u>	<u>1,860,834</u>



**RESOURCE DEVELOPMENT INTERNATIONAL LIMITED**  
**REGISTERED NUMBER 02450180**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009**

**(CONTINUED)**

**8. DIRECTORS' EMOLUMENTS**

The highest paid director's remuneration totalled £162,992 (2008 £150,000)

J and M Holden are members of the self administered pension scheme. No contributions were made to this scheme in either 2009 or 2008 financial years

Another director is a member of a money purchase pension scheme. Contributions to this scheme in 2009 totalled £7,500 (2008 £11,458)

**9. DIVIDENDS**

	<u>2009</u>	<u>2008</u>
	<u>£</u>	<u>£</u>
Interim dividends at 166p per share (2008 103p)	<u>200,000</u>	<u>124,096</u>

**10. COMPANY PROFIT AND LOSS ACCOUNT**

The company has taken advantage of section 480 of the Companies Act 2006 and not produced a company profit and loss account. Of the profit attributable to shareholders, £180,872 (2008 £82,875) is dealt with in the accounts of the parent company

**RESOURCE DEVELOPMENT INTERNATIONAL LIMITED**  
**REGISTERED NUMBER 02450180**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009**

**(CONTINUED)**

**11a. TANGIBLE ASSETS - Group**

	<u>Freehold land</u> £	<u>Short leasehold improvements</u> £	<u>Motor vehicles</u> £	<u>Fixtures and fittings, office equipment</u> £	<u>Total</u> £
<b><u>Cost</u></b>					
At 1 August 2008	14,009	56,423	54,600	364,194	489,226
Additions	-	3,594	-	26,344	29,938
Exchange movement	-	11,725	-	7,702	19,427
Disposals	-	-	-	(1,140)	(1,140)
At 31 July 2009	<u>14,009</u>	<u>71,742</u>	<u>54,600</u>	<u>397,100</u>	<u>537,451</u>
<b><u>Depreciation</u></b>					
At 1 August 2008	-	1,055	6,469	202,320	209,844
Charge for the year	-	14,050	11,524	51,664	77,238
Exchange movement	-	219	-	3,705	3,924
Eliminated on disposal	-	-	-	(1,140)	(1,140)
At 31 July 2009	<u>-</u>	<u>15,324</u>	<u>17,993</u>	<u>256,549</u>	<u>289,866</u>
<b><u>Net book value</u></b>					
At 31 July 2009	<u>14,009</u>	<u>56,418</u>	<u>36,607</u>	<u>140,551</u>	<u>247,585</u>
At 31 July 2008	<u>14,009</u>	<u>55,368</u>	<u>48,131</u>	<u>161,874</u>	<u>279,382</u>

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

	<u>2009</u> £	<u>2008</u> £
Net book value	<u>36,607</u>	<u>48,131</u>
Depreciation charge for the year	<u>11,524</u>	<u>8,562</u>

Included in cost of land is freehold land of £14,009 (2008 £14,009) which is not depreciated

**RESOURCE DEVELOPMENT INTERNATIONAL LIMITED**  
**REGISTERED NUMBER 02450180**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009**

**(CONTINUED)**

**11b. TANGIBLE ASSETS – Company**

	<b><u>Freehold land £</u></b>	<b><u>Motor vehicle £</u></b>	<b><u>Fixtures and fittings, office equipment £</u></b>	<b><u>Total £</u></b>
<b><u>Cost</u></b>				
At 1 August 2008	14,009	54,600	33,728	102,337
Additions	-	-	20,015	20,015
Intra-group transfer	-	-	293,134	293,134
	<u>14,009</u>	<u>54,600</u>	<u>346,877</u>	<u>415,486</u>
At 31 July 2009	<u>14,009</u>	<u>54,600</u>	<u>346,877</u>	<u>415,486</u>
<b><u>Depreciation</u></b>				
At 1 August 2008	-	6,469	18,644	25,113
Charge for the year	-	11,524	44,600	56,124
Intra-group transfer	-	-	165,657	165,657
	<u>-</u>	<u>17,993</u>	<u>228,901</u>	<u>246,894</u>
At 31 July 2009	<u>-</u>	<u>17,993</u>	<u>228,901</u>	<u>246,894</u>
<b><u>Net book value</u></b>				
At 31 July 2009	<u>14,009</u>	<u>36,607</u>	<u>117,976</u>	<u>168,592</u>
At 31 July 2008	<u>14,009</u>	<u>48,131</u>	<u>15,084</u>	<u>77,224</u>

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

	<b><u>2009 £</u></b>	<b><u>2008 £</u></b>
Net book value	<u>36,607</u>	<u>48,131</u>
Depreciation charge for the year	<u>11,524</u>	<u>8,562</u>

Included in cost of land is freehold land of £14,009 (2008 £14,009) which is not depreciated

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009**

**(CONTINUED)**

**12a. INTANGIBLE ASSETS – Group**

	<u>Purchased goodwill</u>	<u>Consolidated goodwill</u>	<u>Product development expenditure</u>	<u>Total</u>
<u>Cost</u>	£	£	£	£
At 1 August 2008	13,510	403,149	365,044	781,703
Additions	-	-	220,795	220,795
	<u>13,510</u>	<u>403,149</u>	<u>585,839</u>	<u>1,002,498</u>
At 31 July 2009	13,510	403,149	585,839	1,002,498
	<u>13,510</u>	<u>403,149</u>	<u>210,220</u>	<u>626,879</u>
<u>Amortisation</u>				
At 1 August 2008	13,510	403,149	127,290	543,949
Charge for the year	-	-	82,930	82,930
	<u>13,510</u>	<u>403,149</u>	<u>210,220</u>	<u>626,879</u>
At 31 July 2009	13,510	403,149	210,220	626,879
<u>Net book value</u>				
At 31 July 2009	-	-	375,619	375,619
At 31 July 2008	-	-	237,754	237,754

**12b. INTANGIBLE ASSETS - Company**

	<u>Purchased goodwill</u>	<u>Product development expenditure</u>	<u>Total</u>
<u>Cost</u>	£	£	£
At 1 August 2008	13,510	75,257	88,767
Additions	-	220,795	220,795
Intra-group transfer	-	289,787	289,787
At 31 July 2009	13,510	585,839	599,349
<u>Amortisation</u>			
At 1 August 2008	13,510	74,958	88,468
Charge for the year	-	82,930	82,930
Intra-group transfer	-	52,332	52,332
	<u>13,510</u>	<u>210,220</u>	<u>223,730</u>
At 31 July 2009	13,510	210,220	223,730
<u>Net book value</u>			
At 31 July 2009	-	375,619	375,619
At 31 July 2008	-	299	299

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**(CONTINUED)**

**13. INVESTMENTS - Company**

<b><u>Cost</u></b>	<b>Unlisted investments £</b>
At 1 August 2008	238,087
Additions	2
At 31 July 2009	<u>238,089</u>
 <b><u>Net book value</u></b>	
At 31 July 2009	<u>238,089</u>
At 31 July 2008	<u>238,087</u>

**Shares in group subsidiaries**

**Directly owned subsidiaries**

	<b><u>Location</u></b>	<b><u>Group Proportion of ordinary shares held</u></b>
RDI Consultants Limited, non trading	UK	100%
The Managing Consulting Company Limited (non trading) *	UK	100%
RDI Limited	Hong Kong	100%
Resource Development International (USA) Limited	USA	100%
The Institute of Business and Management Limited	UK	100%

**Indirectly owned via RDI Limited**

RDI Management Learning Limited (non trading)	Hong Kong	100%
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\* This subsidiary is owned by RDI Consultants Limited

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

The Institute of Business and Management Limited formally known as London Management College Ltd was acquired at par value from J and M Holden during the year. Although owned for several years, the company had never traded.

It is the intention of the directors to register this company as a direct learning organisation, and commence to trade as such early in 2010.

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**(CONTINUED)**

Following the transfer of the trade, trading assets and trading liabilities of RDI Consultants Limited to Resource Development International Limited, effective from the close of business on 31 July 2008, RDI Consultants Limited became a non-trading subsidiary company. Similarly, the trade, trading assets and trading liabilities of RDI Management Learning Limited were transferred to RDI Limited, effective from the close of business on 30 April 2008. Therefore RDI Management Learning Limited has been a non-trading subsidiary from this date.

<b>14. <u>DEBTORS</u></b>	<b><u>Group</u></b> <b><u>2009</u></b> <b>£</b>	<b><u>Group</u></b> <b><u>2008</u></b> <b>£</b>	<b><u>Company</u></b> <b><u>2009</u></b> <b>£</b>	<b><u>Company</u></b> <b><u>2008</u></b> <b>£</b>
Trade debtors	2,454,093	1,554,138	1,449,604	-
Amounts owed by subsidiary companies	-	-	46,681	234,979
Prepayments and accrued income	94,080	108,087	23,855	3,286
Corporation and overseas tax recoverable	22,614	104,122	-	14,007
	<u>2,570,787</u>	<u>1,766,347</u>	<u>1,520,140</u>	<u>252,272</u>

Group trade debtors includes revenue recognition debtors totalling £427,267 (2008 £516,744)

**15. SECURED LIABILITIES**

The bank facilities are 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. The finance leases are secured by the asset for which they relate to.

<b>16. <u>OTHER CREDITORS</u></b>	<b><u>Group</u></b> <b><u>2009</u></b> <b>£</b>	<b><u>Group</u></b> <b><u>2008</u></b> <b>£</b>	<b><u>Company</u></b> <b><u>2009</u></b> <b>£</b>	<b><u>Company</u></b> <b><u>2008</u></b> <b>£</b>
Corporation and overseas tax	92,749	120,716	69,505	900
Other taxes and social security	236,290	124,965	236,290	7,073
Accruals	879,825	504,038	318,974	98,680
Other creditors	39,792	6,981	39,792	6,981
Finance leases - note 24	7,222	6,890	7,222	6,890
Deferred income	1,755,860	761,199	857,210	-
Amounts owed to subsidiary companies	-	-	281,998	211,694
Deferred consideration	50,000	75,000	-	-
	<u>3,061,738</u>	<u>1,599,789</u>	<u>1,810,991</u>	<u>332,218</u>

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**(CONTINUED)**

**17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<u>Group</u> <u>2009</u>	<u>Group</u> <u>2008</u>	<u>Company</u> <u>2009</u>	<u>Company</u> <u>2008</u>
	£	£	£	£
Finance leases - note 24	26,775	33,665	26,775	33,665
	<u>26,775</u>	<u>33,665</u>	<u>26,775</u>	<u>33,665</u>

**18. PROVISIONS FOR LIABILITIES**

	<u>Group</u> <u>2009</u>	<u>Group</u> <u>2008</u>	<u>Company</u> <u>2009</u>	<u>Company</u> <u>2008</u>
	£	£	£	£
Deferred taxation				
At 1 August 2008	91,036	215,895	-	-
Movement for the year	(94,797)	(129,995)	(3,540)	-
Exchange movement	15,524	5,136	-	-
Inter-group transfer	-	-	13,506	-
	<u>11,763</u>	<u>91,036</u>	<u>9,966</u>	<u>-</u>
At 31 July 2009	11,763	91,036	9,966	-

The provision represents excess tax allowances claimed over depreciation charged in the parent and subsidiary companies and in an overseas subsidiary, future taxation is payable under the income recognition accounting policy

**19. CALLED UP SHARE CAPITAL**

	<u>2009</u> £	<u>2008</u> £
<b>Issued, and fully paid:</b>		
100,000 'A' Ordinary shares of £1 each	100,000	100,000
20,481 'B' Ordinary shares of £1 each	20,481	20,481
	<u>120,481</u>	<u>120,481</u>

In accordance with the company's articles of association the 'A' and 'B' Ordinary shares rank pari-passu, apart from a few minor matters

**20. CONSOLIDATION RESERVES**

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

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009**

**(CONTINUED)**

**21. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	<u>Group</u> <u>2009</u>	<u>Group</u> <u>2008</u>
	£	£
Profit/(Loss) on ordinary activities after taxation	209,117	(15,243)
Exchange movement	33,052	8,736
Dividends	(200,000)	(124,096)
	<hr/>	<hr/>
Net addition/(reduction) to shareholders' funds	42,169	(130,603)
Opening shareholders' funds	312,916	443,519
	<hr/>	<hr/>
Closing shareholders' funds	355,085	312,916
	<hr/>	<hr/>

**22a. RESERVES - Group**

	<u>Profit and</u> <u>loss account</u> <u>2009</u>	<u>Profit and</u> <u>loss account</u> <u>2008</u>
	£	£
At 1 August 2008	110,678	241,281
Profit/(Loss) for the year	209,117	(15,243)
Dividends	(200,000)	(124,096)
Exchange movements	33,052	8,736
	<hr/>	<hr/>
At 31 July 2009	152,847	110,678
	<hr/>	<hr/>

**22b. RESERVES - Company**

	<u>Profit and</u> <u>loss account</u> <u>2009</u>	<u>Profit and</u> <u>loss account</u> <u>2008</u>
	£	£
At 1 August 2008	86,718	127,939
Profit for the year	180,872	82,875
Dividends	(200,000)	(124,096)
	<hr/>	<hr/>
At 31 July 2009	67,590	86,718
	<hr/>	<hr/>

**23. CAPITAL COMMITMENTS**

There were no outstanding commitments at 31 July 2009 (2008: none)



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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009**

**(CONTINUED)**

**24. FINANCE LEASES**

	<u>Group</u> <u>2009</u>	<u>Group</u> <u>2008</u>	<u>Company</u> <u>2009</u>	<u>Company</u> <u>2008</u>
	£	£	£	£
The Company and group have the following annual commitments under leases which expire				
Within one year	7,222	6,890	7,222	6,890
Between two and five years	26,775	33,665	26,775	33,665
	<u>33,997</u>	<u>40,555</u>	<u>33,997</u>	<u>40,555</u>

**25. LEASING COMMITMENTS**

The company and group have the following annual commitments under non cancellable operating leases due for expiry

	<u>Group</u> <u>2009</u>	<u>Group</u> <u>2008</u>	<u>Company</u> <u>2009</u>	<u>Company</u> <u>2008</u>
	£	£	£	£
<b>Land and buildings</b>				
Within one year	7,000	29,000	-	-
Within two to five years	177,000	6,000	-	-
After five years	90,000	237,000	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Other operating leases</b>				
Within one year	27,000	2,500	-	-
Within two to five years	33,000	23,000	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2009**

**(CONTINUED)**

**26. RELATED PARTY TRANSACTIONS**

- a During the year the group paid rent amounting to £90,000 (2008 £90,000) to the Resource Development International Pension Fund of which J and M Holden are both trustees and beneficiaries. The group also paid interest to the pension fund totalling £nil (2008 £17,854)
- b J and M Holden have loaned the company £3,354 (2008 £2,885). This loan is interest free, and has no repayment terms. The loan is shown under other creditors in note 16
- c Dr P Hallam and A C Cawley have also loaned the company £424 (2008 £2,409) and £nil (2008 £1,687) respectively on a short term basis in the year under review. The loans are also shown under other creditors in note 16

**27 ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is J and M Holden by virtue of their majority shareholding in Resource Development International Limited

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**GROUP CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 2009**

Appendix

		<u>2009</u> £	<u>2008</u> £
<b><u>CASHFLOW STATEMENT</u></b>			
Net cash inflow from operating activities		<b>1,352,534</b>	1,495,108
Returns on investments and servicing of finance	A	<b>(9,079)</b>	(56,098)
Taxation		<b>(52,601)</b>	(259,659)
Equity dividends paid		<b>(200,000)</b>	(124,096)
Capital expenditure and acquisitions	A	<b>(266,236)</b>	(291,856)
Financing	A	<b>(6,558)</b>	(133,274)
		<hr/>	<hr/>
<b><u>INCREASE IN CASH IN THE YEAR</u></b>		<b>818,060</b>	<b>630,125</b>
		<hr/>	<hr/>

**Reconciliation of operating profit  
to net cash inflow from operating activities**

Operating profit/(loss)	<b>245,065</b>	(620,437)
Exceptional items	-	691,626
Amortisation goodwill/product development	<b>82,930</b>	53,884
Depreciation charges	<b>77,238</b>	54,357
Profit on sale of fixed assets	-	452
(Increase)/decrease in debtors	<b>(885,948)</b>	1,219,626
Increase in creditors	<b>1,800,197</b>	108,343
Exchange movement	<b>33,052</b>	8,736
Minority interests	-	(21,479)
	<hr/>	<hr/>
<b>Net cash inflow from operating activities</b>	<b>1,352,534</b>	<b>1,495,108</b>
	<hr/>	<hr/>

**Reconciliation of net cash flow to movement in net debt** B

Increase in cash in the year	<b>818,060</b>	630,125
Cash inflow from movement in debt	<b>6,558</b>	98,792
	<hr/>	<hr/>
Change in net funds resulting in the year	<b>824,618</b>	728,917
	<hr/>	<hr/>
Net funds/(debt) at 31 July 2008	<b>554,574</b>	(174,343)
	<hr/>	<hr/>
<b>Net funds at 31 July 2009</b>	<b>1,379,192</b>	<b>554,574</b>
	<hr/>	<hr/>

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**APPENDIX TO GROUP CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 2009**

**A. GROSS CASH FLOWS**

	<u>2009</u>	<u>2008</u>
	<u>£</u>	<u>£</u>
<b><u>Returns on investments and servicing of finance</u></b>		
Interest paid	<u>(9,079)</u>	<u>(56,098)</u>
<b><u>Capital expenditure and acquisitions</u></b>		
Payments to acquire tangible and intangible fixed assets	(250,733)	(318,232)
Other movements in tangible/intangible fixed assets and investments	<u>(15,503)</u>	<u>26,376</u>
	<u>(266,236)</u>	<u>(291,856)</u>
<b><u>Financing</u></b>		
Finance lease repayments	(6,558)	(18,369)
Bank loan repayments	<u>-</u>	<u>(114,905)</u>
	<u>(6,558)</u>	<u>(133,274)</u>

**B. ANALYSIS OF CHANGES IN NET FUNDS**

	<u>At 31/7/08</u>	<u>Cash flow</u>	<u>Other non cash changes</u>	<u>At 31/7/09</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Cash at bank and in hand	595,129	818,060	-	1,413,189
Debt due within one year	(6,890)	-	(332)	(7,222)
Debt due outside one year	<u>(33,665)</u>	<u>-</u>	<u>6,890</u>	<u>(26,775)</u>
<b><u>NET FUNDS</u></b>	<u>554,574</u>	<u>818,060</u>	<u>6,558</u>	<u>1,379,192</u>