

AUDITORS' REPORT TO THE DIRECTORS OF

NORTH WEST TRAINING LIMITED

(2805198)

We have examined the abbreviated Accounts on Pages two to nine together with the full Financial Statements of North West Training Limited for the year ended 31 July 1997. The scope of our work for the purpose of this report was limited to confirming that the Company is entitled to the exemptions claimed in the Directors' statement on Page four and that the abbreviated Accounts have been properly prepared from the full Financial Statements.

In our opinion the Company is entitled under Sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Part 1 of Schedule 8 to the Act in respect of the year ended 31 July 1997 and the abbreviated Accounts on Pages two to nine have been properly prepared in accordance with that Schedule.

On 9 November 1997 we reported as Auditors of North West Training Limited to the members on the full Financial Statements prepared under Section 226 of the Companies Act 1985 for the year ended 31 July 1997 and our Audit Report was as follows:

"We have audited the Financial Statements as set out on Pages two to eleven which have been prepared under the historical cost convention.

As described on Page two, the Company 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 report our 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 reliable and relevant evidence to give reasonable assurance that the Financial Statements are free from material misstatements, whether caused by error, fraud or other irregularities. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Financial Statements.

In our opinion the Financial Statements should disclose the following matter. The Company meets its day to day working capital requirements through funding by its Holding Company and we understand from the Directors that this arrangement is unlikely to change and that the Company can rely on such continued funding.

Subject to such funding in our opinion the Financial Statements give a true and fair view of the state of the Company affairs as at 31 July 1997 and of its Loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985."

.....
RICHMAN & COMPANY
CHARTERED ACCOUNTANTS
AND REGISTERED AUDITORS

189 HIGH STREET

HARLESDEN

LONDON NW10 4TE



Dated: 9 November 1997

NORTH WEST TRAINING LIMITED

REPORT OF THE DIRECTORS

The Directors present their Report and Accounts for the year ended 31 July 1997.

RESULTS AND DIVIDENDS

	<u>Year Ended</u> <u>31 July 1997</u>	<u>Year Ended</u> <u>31 July 1996</u>
	£	£
Net Loss for the year before Taxation	(2,645)	(58,914)
Taxation (chargeable)/repayable for the year	-	(4,562)
<u>Net Loss for the year after Taxation</u>	<u>(2,645)</u> =====	<u>(63,476)</u> =====

The Directors do not recommend the payment of a Dividend.

REVIEW OF THE BUSINESS

The Company's principal activities during the year were the provision of Training Courses and Consultancy.

Although a Loss was sustained for the year under review the Directors anticipate an eventual return to profitability.

DIRECTORS' RESPONSIBILITIES

The Directors are required by law to prepare Financial Statements for each financial year which give a true and fair view of the state of the affairs of the Company as at the end of the financial year and of the Profit or Loss and total recognised Gains or Losses of the Company for that period. The Directors confirm that appropriate accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made, in the preparation of the Financial Statements for the year ended 31 July 1997. The Directors also confirm that the Company will continue to trade for the foreseeable future. The Directors are responsible for maintaining adequate accounting records, for safeguarding the Assets of the Company and for taking reasonable steps to prevent and detect fraud and other irregularities.

NORTH WEST TRAINING LIMITED

REPORT OF THE DIRECTORS

(CONTINUED)

FIXED ASSETS

Details of Fixed Assets and changes therein are shown in the Notes annexed to these Accounts.

DIRECTORS AND THEIR SHARE INTERESTS

The Directors during the year and their interests in the Share Capital of the Company throughout the financial year were as follows:

Ordinary Shares

G S Burnett	Nil
P A Howard	Nil
V L Fagg	Nil
G Newbold	Nil

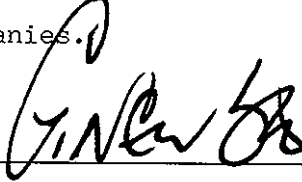
TAX STATUS

The Company is a 'close Company' as defined by the Income and Corporation Taxes Act 1988.

AUDITORS

Richman & Company, Chartered Accountants, are deemed to be re-appointed in accordance with Section 386 of the Companies Act 1985 by virtue of an Elective Resolution passed by the Members on 12 June 1994.

In preparing the above Report, the Directors have taken advantage of special exemptions applicable to small Companies.



G NEWBOLD - DIRECTOR

Dated: _____

7/11/97

NORTH WEST TRAINING LIMITED

BALANCE SHEET AS AT 31 JULY 1997

<u>31 July 1996</u>			<u>COST</u>	<u>ACCUMULATED DEPRECIATION</u>	<u>NET BOOK VALUE</u>
£	£		£	£	£
		<u>TANGIBLE FIXED ASSETS - (Note 2)</u>			
13,169		Fixtures, Fittings and Computer Equipment	29,059	20,833	8,226
		<u>CURRENT ASSETS</u>			
	22,819	Debtors - (Note 3)		98,299	
	94,535	Cash at Bank		43,653	
	<u>117,354</u>			<u>141,952</u>	
		<u>DEDUCT: CREDITORS</u>			
	212,748	Amounts Falling Due Within One Year - (Note 4)		235,048	
(95,394)					(93,096)
(82,225)		<u>NET LIABILITIES</u>			(84,870)
=====					=====
		<u>FINANCED BY:</u>			
		<u>SHARE CAPITAL</u>			
		Authorised:			
	100	100 Ordinary Shares of £1 Each		100	
	<u>1</u>	Called-Up and Fully Paid:			
	1	1 Ordinary Share of £1 Each			1
		<u>RESERVES</u>			
(82,226)		Profit and Loss Account			(84,871)
(82,225)					(84,870)
=====					=====

The Directors have taken advantage of the exemptions conferred by Part 111 of Schedule 8 to the Companies Act and have done so on the grounds that, in their opinion, the Company is entitled to these exemptions as a small Company.

Approved On Behalf of the Directors By:

.....

G NEWBOLD - DIRECTOR

Approved On: 7/11/97

NORTH WEST TRAINING LIMITED

STATUTORY PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED

31 JULY 1997

<u>Year Ended</u>			
<u>31 July 1996</u>			
£	£	£	£
200,898	Turnover - (Note 1(c))		306,128
<u>2,350</u>	<u>ADD:</u> Interest Received		<u>211</u>
203,248			306,339
164,218	Staff Costs - (Note 6(a))	192,891	
92,350	Other Operating Expenses - (Note 6(b))	110,346	
<u>5,594</u>	<u>Depreciation - (Note 1(b))</u>	<u>5,747</u>	
262,162			308,984
(58,914)	<u>OPERATING LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		<u>(2,645)</u>
(4,562)	<u>ADD:</u> Corporation Tax on Loss on Ordinary Activities - (Note 1(d)) -		
(63,476)	<u>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION</u>		<u>(2,645)</u>
(18,750)	<u>ADD:</u> Deficit Brought Forward		<u>(82,226)</u>
(82,226)	<u>DEFICIT CARRIED FORWARD</u>		<u>(84,871)</u>
=====			=====

CONTINUING OPERATIONS/TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised Gains or Losses other than as disclosed above and there have been no discontinued activities or acquisitions in the current year.

NORTH WEST TRAINING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED

31 JULY 1997

(1) ACCOUNTING POLICIES

(a) ACCOUNTING CONVENTION

These Accounts have been prepared under the historical cost convention.

(b) DEPRECIATION

Depreciation of Tangible Fixed Assets is provided for on a straight line basis at rates estimated to write off cost over the period of their useful lives to the business.

The rate of depreciation currently in operation and the amount provided in the year was as follows:

	<u>Percentage</u>	<u>Total for Year</u>
		£
Fixtures, Fittings and Computer Equipment	20%	5,747
		=====

(c) TURNOVER

Turnover represents amounts derived from the provision of services falling within the Company's ordinary activities excluding V A T.

(d) DEFERRED TAXATION

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the Directors, there is reasonable probability that the liability will not arise in the foreseeable future.

(e) CASH FLOW

These Accounts do not include a Cash Flow Statement, because the Company as a small reporting entity is exempt from the requirement to prepare such a statement under the Financial Reporting Standard - 'Cash Flow Statements'.

NORTH WEST TRAINING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED

31 JULY 1997

(CONTINUED)

(2) TANGIBLE FIXED ASSETS

	<u>Fixtures, Fittings and Computer Equipment</u>
	£
<u>Cost:</u>	
As At 1 August 1996	28,255
Additions in the Year	804
<u>As At 31 July 1997</u>	<u>29,059</u> =====
<u>Depreciation:</u>	
As At 1 August 1996	15,086
Provided During the Year	5,747
<u>As At 31 July 1997</u>	<u>20,833</u> =====
<u>Net Book Value As At 31 July 1997</u>	<u>8,226</u> =====

(3) DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>31 July 1997</u>	<u>31 July 1996</u>
	£	£
Trade Debtors	44,930	20,706
Payments in Advance	51,291	-
Other Debtors	-	35
Corporation Tax Repayable	2,078	2,078
	<u>98,299</u> =====	<u>22,819</u> =====

NORTH WEST TRAINING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED

31 JULY 1997

(CONTINUED)

(4) CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>31 July 1997</u>	<u>31 July 1996</u>
	£	£
Income Received in Advance	210,291	-
Trade Creditors	10,628	7,043
Sundry Creditors Including Taxation	8,031	10,515
Accrued Expenses	4,213	5,324
Amounts Owed to Holding Company (see below)	1,885	189,866
	<u>235,048</u>	<u>212,748</u>
	=====	=====

The Company is reliant on the continued funding of its operations by its Holding Company (See Note 7).

(5) RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS

	<u>31 July 1997</u>	<u>31 July 1996</u>
	£	£
Loss for the financial year after Taxation	(2,645)	(63,476)
Opening Shareholders' Funds at 1 August 1996	(82,225)	(18,749)
<u>Closing Shareholders' Funds at 31 July 1997</u>	<u>(84,870)</u>	<u>(82,225)</u>
	=====	=====

NORTH WEST TRAINING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED

31 JULY 1997

(CONTINUED)

(6) OPERATING LOSS

	<u>Year Ended</u>	<u>Year Ended</u>
	<u>31 July 1997</u>	<u>31 July 1996</u>
	£	£
Stated after charging:		
(a) <u>STAFF COSTS</u>		
Teaching Departments	75,502	76,646
Administration and Central Services	117,389	87,572
	<u>192,891</u>	<u>164,218</u>
	=====	=====
(b) <u>OTHER OPERATING EXPENSES</u>		
Included in this Heading:		
Hire of Equipment	-	218
Loan Interest	6,884	5,539
Audit Fees	1,350	1,350

(7) ULTIMATE HOLDING COMPANY

North West Training Limited is a wholly owned subsidiary of the College of North West London, incorporated in England.