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REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 1997

FOR

THE BYRNE PARTNERSHIP LTD



McCreath & Co.

Chartered Accountants

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for the Year Ended 31 May 1997

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THE BYRNE PARTNERSHIP LTD

COMPANY INFORMATION
for the Year Ended 31 May 1997

DIRECTORS:	E Byrne Mrs J Byrne
SECRETARY:	E Byrne
REGISTERED OFFICE:	Burnfoot Farm Eddleston Peebles PEEBLESHIRE EH45 8PL
REGISTERED NUMBER:	132021 (Scotland)
ACCOUNTANTS:	McCreath & Co Chartered Accountants Bank House 20a Strathearn Road Edinburgh EH9 2AB
BANKERS:	The Royal Bank of Scotland Peebles Branch 4 Eastgate Peebles EH45 8SL

REPORT OF THE DIRECTORS
for the Year Ended 31 May 1997

The directors present their report with the financial statements of the company for the year ended 31 May 1997.

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of the provision of marketing consultancy and training services.

DIRECTORS
The directors during the year under review were:

E Byrne
Mrs J Byrne

The beneficial interests of the directors holding office on 31 May 1997 in the issued share capital of the company were as follows:

	31.5.97	1.6.96
Ordinary £1 shares		
E Byrne	30	30
Mrs J Byrne	70	70

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

ON BEHALF OF THE BOARD:

E Byrne - DIRECTOR

Dated: 25 February 1998

REPORT OF THE ACCOUNTANTS TO THE SHAREHOLDERS ON THE UNAUDITED FINANCIAL STATEMENTS OF THE BYRNE PARTNERSHIP LTD

We report on the financial statements for the year ended 31 May 1997 set out on pages four to ten.

Respective responsibilities of directors and reporting accountants
As described on page five the company's directors are responsible for the preparation of the financial statements, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion
Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the financial statements with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

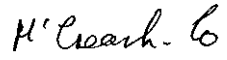
Opinion
In our opinion:

(a) the financial statements are in agreement with the accounting records kept by the company under Section 221 of the Companies Act 1985;

(b) having regard only to, and on the basis of, the information contained in those accounting records:

(i) the financial statements have been drawn up in a manner consistent with the accounting requirements specified in Section 249C(6) of the Act; and

(ii) the company satisfied the conditions for exemption from an audit of the financial statements for the year specified in Section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in Section 249B(1).



McCreath & Co
Chartered Accountants
Bank House
20a Strathearn Road
Edinburgh
EH9 2AB

Dated: 25 February 1998

THE BYRNE PARTNERSHIP LTD

PROFIT AND LOSS ACCOUNT
for the Year Ended 31 May 1997

	Notes	1997 £	1996 £
TURNOVER	2	94,779	77,732
GROSS PROFIT		94,779	77,732
Administrative expenses		63,254	51,507
OPERATING PROFIT	4	31,525	26,225
Interest receivable and similar income	5	305	449
		31,830	26,674
Interest payable and similar charges		1	13
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		31,829	26,661
Tax on profit on ordinary activities	6	7,149	6,887
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		24,680	19,774
Dividends	7	23,600	20,000
		1,080	(226)
Retained profit brought forward		282	508
RETAINED PROFIT CARRIED FORWARD		£1,362	£282

CONTINUING OPERATIONS
None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES
The company has no recognised gains or losses other than the profits for the current and previous years.

The notes form part of these financial statements

THE BYRNE PARTNERSHIP LTD

BALANCE SHEET
31 May 1997

	Notes	1997 £	1997 £	1996 £	1996 £
FIXED ASSETS:					
Tangible assets	8		7,794		17,271
CURRENT ASSETS:					
Debtors	9	13,024		12,938	
Cash at bank		15,366		18,968	
		28,390		31,906	
CREDITORS: Amounts falling due within one year	10	11,698		33,879	
NET CURRENT ASSETS/(LIABILITIES):			16,692		(1,973)
TOTAL ASSETS LESS CURRENT LIABILITIES:			24,486		15,298
CREDITORS: Amounts falling due after more than one year	11		23,024		14,916
			£1,462		£382
CAPITAL AND RESERVES:					
Called up share capital	13		100		100
Profit and loss account			1,362		282
Shareholders' funds	15		£1,462		£382

The company is entitled to exemption from audit under Section 249A(2) of the Companies Act 1985 for the year ending 31 May 1997.

No notice has been deposited under Section 249B(2) of the Companies Act 1985 in relation to its financial statements for the financial year.

The directors acknowledge their responsibilities for:

(a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and

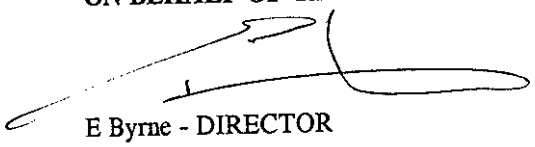
(b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

The notes form part of these financial statements

BALANCE SHEET
31 May 1997

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:



E Byrne - DIRECTOR

Approved by the Board on 25 February 1998

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 May 1997

1. ACCOUNTING POLICIES

Accounting convention
The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard Number 1
Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Turnover
Turnover represents net invoiced sales of services, excluding value added tax.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Equipment	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance

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.

Pensions
The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the year are charged in the profit and loss account.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

3. STAFF COSTS

Staff costs include the following:

	1997	1996
	£	£
Pension costs (other than social security costs)	3,600	3,600

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 May 1997

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	1997	1996
	£	£
Depreciation - owned assets	4,664	5,756
Profit on disposal of fixed assets	(2,003)	-
Directors' emoluments and other benefits etc	28,923	25,959

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	2	2

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	1997	1996
	£	£
Bank interest receivable	305	449

6. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	1997	1996
	£	£
UK Corporation Tax	7,114	6,887
(Over)/Under provision	35	-
	7,149	6,887

UK Corporation Tax has been charged at 23.50% (1996 - 24.70%).

No provision for deferred tax is considered necessary.

7. DIVIDENDS

	1997	1996
	£	£
Equity shares:		
Ordinary paid	23,600	20,000

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 May 1997

8. TANGIBLE FIXED ASSETS

	Equipment	Motor vehicles	Totals
	£	£	£
COST:			
At 1 June 1996	8,376	30,560	38,936
Additions	7,289	-	7,289
Disposals	-	(30,560)	(30,560)
At 31 May 1997	15,665	-	15,665
DEPRECIATION:			
At 1 June 1996	5,273	16,392	21,665
Charge for year	2,598	2,066	4,664
Eliminated on disposals	-	(18,458)	(18,458)
At 31 May 1997	7,871	-	7,871
NET BOOK VALUE:			
At 31 May 1997	7,794	-	7,794
At 31 May 1996	3,103	14,168	17,271

There was no capital expenditure authorised nor contracted for at 31 May 1997. (1996 : Nil).

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1997	1996
	£	£
Trade debtors	12,712	12,128
Prepayments & accrued income	312	810
	13,024	12,938

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1997	1996
	£	£
Bank loans and overdrafts (see note 12)	3,047	26,402
Social security & other taxes	5,982	5,791
Accrued expenses	2,669	1,686
	11,698	33,879

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1997	1996
	£	£
Directors loans	23,024	14,916

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 May 1997

12. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	1997 £	1996 £
Amounts falling due within one year or on demand:		
Bank overdrafts	3,047	26,402

13. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	1997 £	1996 £
10,000	Ordinary	£1	10,000	10,000

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	1997 £	1996 £
100	Ordinary	£1	100	100

14. TRANSACTIONS WITH DIRECTORS

During the year the directors E Byrne and J Byrne purchased the two company vehicles. The amounts paid for the two vehicles totalled £14,105.

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1997 £	1996 £
Profit for the financial year	24,680	19,774
Dividends	(23,600)	(20,000)
NET ADDITION/(REDUCTION) TO SHAREHOLDERS' FUNDS	1,080	(226)
Opening shareholders' funds	382	608
CLOSING SHAREHOLDERS' FUNDS	1,462	382
Equity interests	1,462	382