

Company number: 2808521

**NORTHERN ENTERPRISE (LP)
LIMITED**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 MARCH 2001**



NORTHERN ENTERPRISE (LP) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2001

Company registration number: 2808521

Registered office: 6th Floor
Cale Cross House
156 Pilgrim Street
Newcastle upon Tyne
NE1 6SU

Directors: D M Middleton CBE FCA
B S Hensby BSc MBA
N C D Craig

Secretary: N C D Craig

Solicitors: Eversheds Solicitors
Sun Alliance House
35 Mosley Street
Newcastle upon Tyne
NE1 1XX

Auditors: Grant Thornton
Registered auditors
Chartered accountants
Higham House
Higham Place
Newcastle upon Tyne
NE1 8EE

NORTHERN ENTERPRISE (LP) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2001

INDEX	PAGE
Report of the directors	1-2
Report of the auditors	3
Accounting policies	4
Income and expenditure account	5
Balance sheet	6
Notes to the financial statements	7-9

NORTHERN ENTERPRISE (LP) LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 31 March 2001.

Principal activity

The company did not trade during the year. Any expenses have been met by Northern Enterprise Limited.

Directors

The directors who served during the year are:

Mr D M Middleton CBE FCA
Mr B S Hensby BSc MBA
Mr N C D Craig

The directors had no interest in the shares of the company.

Directors' responsibilities for the financial statements

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 of the profit or loss of the company 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
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

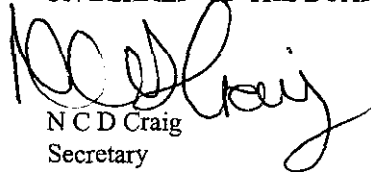
NORTHERN ENTERPRISE (LP) LIMITED

REPORT OF THE DIRECTORS

Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD


N C D Craig
Secretary

30 July 2001

**REPORT OF THE AUDITORS TO THE MEMBERS OF
NORTHERN ENTERPRISE (LP) LIMITED**

We have audited the financial statements on pages 4 to 9 which have been prepared under the accounting policies set out on page 4.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of financial statements in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

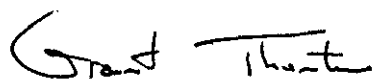
Basis of opinion

We conducted our audit in accordance with United Kingdom 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 fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31 March 2001 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
NEWCASTLE UPON TYNE**

30 July 2001

NORTHERN ENTERPRISE (LP) LIMITED

ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention.

The principal accounting policy of the company has remained unchanged from the previous period and is set out below.

INVESTMENTS

Investments are included at cost.

NORTHERN ENTERPRISE (LP) LIMITED**INCOME AND EXPENDITURE ACCOUNT****FOR THE YEAR ENDED 31 MARCH 2001**

	Note	2001 £	2000 £
Turnover	1	-	-
Administrative expenses		-	-
Surplus on ordinary activities before tax		-	-
Tax on surplus on ordinary activities	2	-	-
Surplus for the financial year	6	-	-
Dividends		-	-
Surplus transferred to accumulated fund		-	-

There were no recognised gains and losses other than the surplus for the financial year.

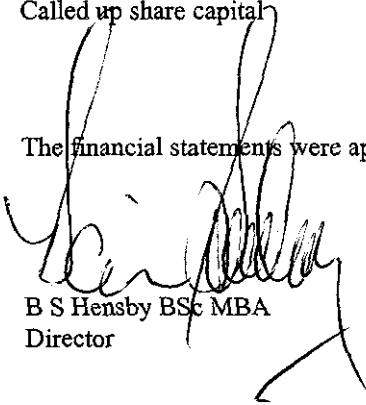
The accompanying accounting policies and notes form an integral part of these financial statements.

NORTHERN ENTERPRISE (LP) LIMITED

BALANCE SHEET AT 31 MARCH 2001

	Note	2001 £	2000 £
Fixed assets			
Investments	3	1,249	801
Current assets			
Called up share capital not paid		-	2
Creditors: amounts falling due within one year	4	(1,247)	(801)
Net current liabilities		(1,247)	(799)
Total assets less current liabilities		2	2
Shareholders' funds			
Called up share capital	5	2	2

The financial statements were approved by the Board of Directors on 30 July 2001.



B S Hensby BSc MBA
Director

The accompanying accounting policies and notes form an integral part of these financial statements.

NORTHERN ENTERPRISE (LP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2001

1 TURNOVER

The company did not trade during the year.

2 TAX ON SURPLUS ON ORDINARY ACTIVITIES

There is no tax charge in the current year (2000: £nil).

3 FIXED ASSET INVESTMENTS

	Participating interests £
Cost	
At 1 April 2000	801
Addition	448
At 31 March 2001	1,249

The undertakings in which the company has an interest are as follows:

Participating interest	Principal Place of Business	Proportion of capital contributed
The First HSBC UK Enterprise Fund for the North East	6th Floor Cale Cross House 156 Pilgrim Street Newcastle upon Tyne NE1 6SU	15%
The Second HSBC UK Enterprise Fund for the North East	As above	13.7%
The North East Seed Capital Fund	As above	14%

NORTHERN ENTERPRISE (LP) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2001****4 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2001 £	2000 £
Amounts owed to immediate parent undertaking	1,247	801
	<u> </u>	<u> </u>

5 SHARE CAPITAL

	2001 £	2000 £
Authorised 100 ordinary shares of £1	100	100
	<u> </u>	<u> </u>
Called up and fully paid 2 ordinary shares of £1	2	2
	<u> </u>	<u> </u>

6 ACCUMULATED FUND

	Accumulated fund £
At 1 April 2000	-
Retained surplus for the year	-
	<u> </u>
At 31 March 2001	-
	<u> </u>

7 CAPITAL COMMITMENTS

The company had no capital commitments at 31 March 2001 or 31 March 2000.

8 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 March 2001 or 31 March 2000.

9 TRANSACTIONS WITH RELATED PARTIES

As a wholly owned subsidiary of Northern Enterprise Group Limited the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group.

NORTHERN ENTERPRISE (LP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2001

10 CONTROLLING RELATED PARTY

Northern Enterprise Limited is the company's controlling related party by virtue of it owning 100% of the issued share capital of the company.

The ultimate controlling related party of the group is Northern Enterprise Group Limited as a result of it owning 100% of the issue share capital of Northern Enterprise Limited.

The largest group of undertakings for which group accounts have been drawn up is that headed by Northern Enterprise Group Limited.