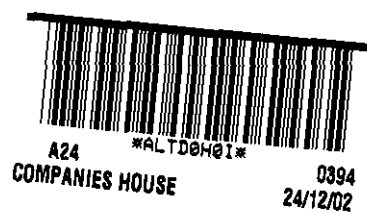


**NORTHERN ENTERPRISE (LP)
LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2002



Company no 2808521

NORTHERN ENTERPRISE (LP) LIMITED

FINANCIAL STATEMENTS

For the year ended 31 March 2002

Company registration number: 2808521

Registered office: 3 Earls Court
5th Avenue Business Park
Team Valley
Gateshead
NE11 0HF

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

Secretary: N C D Craig

Solicitors: Eversheds Solicitors
Central Square South
Orchard Street
Newcastle upon Tyne
NE1 3XX

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 2002

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NORTHERN ENTERPRISE (LP) LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements for the year ended 31 March 2002.

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 were:

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

United Kingdom 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 surplus or deficit 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.

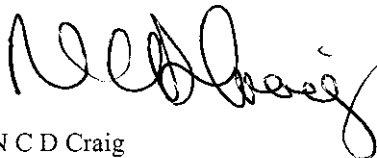
The directors are responsible for maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

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

The directors intend to appoint the auditors for the ensuing year by a competitive tendering process.

BY ORDER OF THE BOARD



N C D Craig
Secretary

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

We have audited the financial statements of Northern Enterprise (LP) Limited for the year ended 31 March 2002 which comprise the principal accounting policies, the balance sheet and notes 1 to 7. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of the directors and auditors

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with United Kingdom applicable law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the directors' report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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.

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 March 2002 and have been properly prepared in accordance with the Companies Act 1985.

Grant Thornton

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

18 December 2002

NORTHERN ENTERPRISE (LP) LIMITED

PRINCIPAL ACCOUNTING POLICIES

For the year ended 31 March 2002

BASIS OF PREPARATION

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

The directors have reviewed the accounting policies in accordance with Financial Reporting Standard No 18 - Accounting Policies and consider them to be the most appropriate policies and estimation techniques.

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

INVESTMENTS

Investments are included at cost.

NORTHERN ENTERPRISE (LP) LIMITED

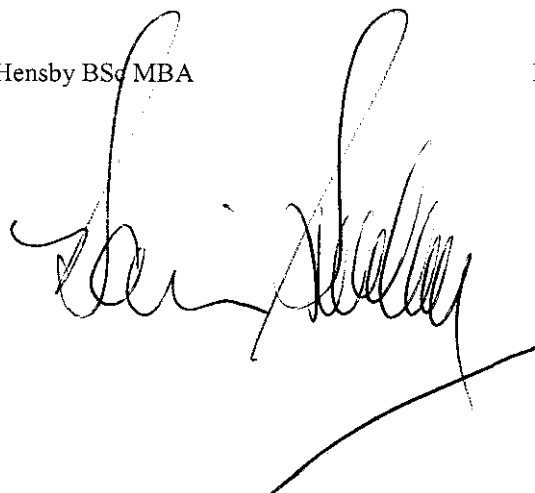
BALANCE SHEET AT 31 MARCH 2002

	Note	2002 £	2001 £
Fixed assets			
Investments	1	1,249	1,249
Creditors: amounts falling due within one year	2	(1,247)	(1,247)
Net current liabilities		(1,247)	(1,247)
Total assets less current liabilities		2	2
Capital and reserves			
Called up share capital	3	2	2

The financial statements were approved by the Board of Directors on 12 - 12 - 02

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 2002

1 FIXED ASSET INVESTMENTS

	Participating interests £
Cost	
At 1 April 2001 and at 31 March 2002	1,249

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

	Principal place of business	Proportion of capital contributed
Participating interest		
The First HSBC Enterprise Fund for the North East	3 Earls Court 5th Avenue Business Park Team Valley Gateshead NE11 0HF	15%
The Second HSBC 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 2002

2 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002	2001
	£	£
Amounts owed to immediate parent undertaking	1,247	1,247

3 SHARE CAPITAL

	2002	2001
	£	£
Authorised 100 ordinary shares of £1	100	100

Called up and fully paid 2 ordinary shares of £1	2	2
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4 CAPITAL COMMITMENTS

The company had no capital commitments at 31 March 2002 or 31 March 2001.

5 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 March 2002 or 31 March 2001.

6 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.

7 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 are drawn up is that headed by Northern Enterprise Group Limited.