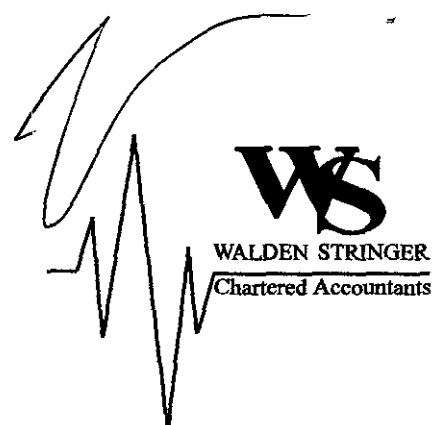


EDINBURGH TELEMEDICINE SOLUTIONS LIMITED

ABBREVIATED STATUTORY ACCOUNTS

31 JANUARY 2000

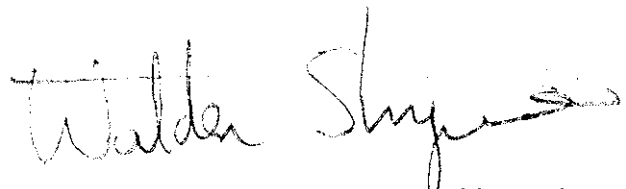
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EDINBURGH TELEMEDICINE SOLUTIONS LIMITED**CHARTERED ACCOUNTANTS' REPORT****31 January 2000****Chartered Accountants' report to the directors
on the unaudited financial statements of
Edinburgh Telemedicine Solutions Ltd
for the year ended 31 January 2000**

The following reproduces the text of the report prepared for the purposes of section 249A(1) of the Companies Act 1985 in respect of the company's annual financial statements from which the abbreviated financial statements (set out on pages 2 to 5) have been prepared.

"As described on pages 2 and 6 to 7, you are responsible for the preparation of the accounts and you consider that the company is exempt from an audit. In accordance with your instructions and in order to assist you to fulfill your responsibilities, we have prepared the financial statements on pages 5 to 12 from the accounting records and from information and explanations supplied to us. We have not carried out an audit."

**Walden Stringer****Edinburgh****Chartered Accountants****23 November 2000**

EDINBURGH TELEMEDICINE SOLUTIONS LIMITED**ABBREVIATED BALANCE SHEET**

at 31 January 2000

	Notes	2000 £	1999 £
Fixed assets			
Tangible assets	2	2,916	4,185
Current assets			
Debtors		13,201	4,600
Cash at bank and in hand		<u>223</u>	<u>49,221</u>
		13,424	53,821
Creditors: amounts falling due within one year		<u>(10,304)</u>	<u>(42,609)</u>
Net current assets		<u>3,120</u>	<u>11,212</u>
		<u>6,036</u>	<u>15,397</u>
Capital and reserves			
Called up share capital	3	1,500	1,500
Profit and loss account		<u>4,536</u>	<u>13,897</u>
Shareholders' funds		<u>6,036</u>	<u>15,397</u>

The directors:

- 1 confirm that for the year ended 31 December 1998 the company was entitled to the exemption under subsection (1) of section 249A;
- 2 confirm that no notice requiring an audit had been deposited under subsection (2) of section 249B in relation to the financial statements for the financial year; and

VS

EDINBURGH TELEMEDICINE SOLUTIONS LIMITED

ABBREVIATED BALANCE SHEET

at 31 January 2000

(continued)

The directors: (continued)

3 acknowledge their responsibility for:

- (a) ensuring that the company keeps accounting records which comply with section 221; and
- (b) preparing financial statements 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 its loss for the 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 directors have taken advantage of the exemptions conferred by Part III of Schedule 8 to the Companies Act 1985 and have done so on the grounds that, in their opinion, the company is entitled to the benefit of those exemptions as a small company.

In the preparation of the company's annual financial statements, the directors have taken advantage of the exemptions conferred by Part I of Schedule 8 to the Companies Act 1985, and have done so on the grounds that, in their opinion, the company is entitled to the benefit of those exemptions as a small company.

These accounts were approved by the board of directors on 23 November 2000.



)
) **Director**
)

WALDEN STRINGER

VS

EDINBURGH TELEMEDICINE SOLUTIONS LIMITED**NOTES ON ABBREVIATED FINANCIAL STATEMENTS****31 January 2000****1 Principal accounting policies****Basis of preparation of accounts**

The financial statements have been prepared under the historical cost convention and include the results of the company's operations as indicated in the directors' report, all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

Depreciation

Depreciation of fixed assets is charged by annual instalments commencing with the year of acquisition at rates estimated to write off their cost or valuation, less any residual value, over their expected useful lives. The rates used are as follows:

Fixtures and equipment	- 15% straight line basis
Computer equipment	- 33⅓% straight line basis

Deferred taxation

Deferred taxation is provided in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

EDINBURGH TELEMEDICINE SOLUTIONS LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31 January 2000

(continued)

2 Tangible fixed assets

	Total £
Cost	
31 January 1999	5,973
Additions	<u>578</u>
31 January 2000	<u>6,551</u>
Depreciation	
31 January 1999	1,788
Charge for the year	<u>1,847</u>
31 January 2000	<u>3,635</u>
Net book amount	
31 January 2000	<u>2,916</u>
31 January 1999	<u>4,185</u>

	2000		1999	
3 Called up share capital	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>
Allotted, called up and fully paid				
Ordinary shares of £1 each	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>