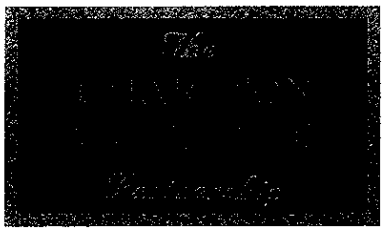
Northern Edge Limited

Abbreviated accounts

for the year ended 30 September 2002

Registered number SC208039





CHARTERED ACCOUNTANTS
77 Osborne Road, Jesmond, Newcastle upon Tyne NE2 2AN
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Independent auditors' report to Northern Edge Limited under Section 247B of the Companies Act 1985

We have examined the abbreviated accounts set out on pages 2 to 5 together with the financial statements of Northern Edge Limited for the year ended 30 September 2002 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors
The directors are responsible for preparing abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion
We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion
In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985 in respect of the year ended 30 September 2002, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.

The Charlton Williamson Partnership
Chartered Accountants and Registered Auditors

14 November 2002

Partners: David Charlton FCA and Stuart McKinnon ATII ATT

Registered to carry on audit work and authorised to carry on investment business by the Institute of Chartered Accountants in England and Wales.

Northern Edge Limited

Abbreviated balance sheet

at 30 September 2002

	Notes	£	2002 £	£	2001 £
Fixed assets					
Tangible assets	**2**		-		21,599
Investments	**2**		2,205,146		3,308,360
			2,205,146		3,329,959
Current assets					
Debtors		33,688		19,976	
Cash at bank and in hand		35,400		246,270	
		69,088		266,246	
Creditors: amounts falling due within one year		(37,614)		(36,557)	
Net current assets			31,474		229,689
Net assets			2,236,620		3,559,648
Capital and reserves					
Called up share capital	**3**		184,578		184,578
Share premium account			4,005,672		4,005,672
Profit and loss account			(1,953,630)		(630,602)
Shareholders' funds			2,236,620		3,559,648

The abbreviated accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies .

The abbreviated accounts were approved by the board on 14 November 2002 and signed on its behalf by

P Johnston
Director

The notes on pages 3 to 5 form an integral part of these financial statements.

Northern Edge Limited

Notes to the abbreviated financial statements

for the year ended 30 September 2002

1 Accounting policies

Accounting convention

The accounts are prepared under the historical cost convention .

The company has taken advantage of the exemption in FRS1 from the requirement to produce a cashflow statement because it is a small company.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of services during the year.

Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Motor vehicles	-	25% straight line

Investments

Fixed asset investments are stated at cost less provision for any impairment.

Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to materialise.

Group accounts

The company is entitled to the exemption under Section 248 of the Companies Act 1985 from the obligation to prepare group accounts.

Notes to the abbreviated financial statements

for the year ended 30 September 2002

2 Fixed assets

	Tangible fixed assets £	Investments £	Total £
Cost			
At beginning of year	25,260	3,658,360	3,683,620
Additions	-	172,500	172,500
Write off	-	(350,000)	(350,000)
Disposals	(25,260)	-	(25,260)
At end of year	-	3,480,860	3,480,860
Depreciation and Provision for diminution in value			
At beginning of year	3,661	350,000	353,661
On disposals	(6,799)	(350,000)	(356,799)
Charge for year and movement	3,138	1,275,714	1,278,852
At end of year	-	1,275,714	1,275,714
Net book values			
At 30 September 2002	-	2,205,146	2,205,146
At 30 September 2001	21,599	3,308,360	3,329,959

Investment details	**2002 £**	2001 £
Subsidiary undertaking	1	1

The company's investment in subsidiary undertaking shares represents 100% of the called up share capital of HP2 Limited, a company registered in Scotland. The company has not traded during the period under review.

Other investments represent equity investments in unlisted companies. The write off amounting to £350,000 is the investment in ServeSoft Limited (now in liquidation), this was provided for in the previous year. With the exception of the company's investment in Altia Solutions Limited, the investments represent, in each case, a holding of less than 20%. In the case of Altia Solutions Limited, a company registered in Great Britain, the investment represents 25% of the ordinary share capital and is deemed to be an investment in an associated undertaking. As Northern Edge Limited qualifies as a medium sized company for group accounts purposes there is no requirement to account for the associate on the net equity basis. Further, the investment is not deemed by the directors to have a material effect on the results or net assets of the company.

Notes to the abbreviated financial statements

for the year ended 30 September 2002

3	**Share capital**	**2002**	2001
		£	£
	Authorised equity		
	Ordinary A shares of 0.25 pence each	75,750	75,750
	Ordinary B shares of 0.25 pence each	159,250	159,250
		235,000	235,000
	Allotted, called up and fully paid equity		
	Ordianry A shares of 0.25 pence each	75,750	75,750
	Ordinary B shares of 0.25 pence each	108,828	108,828
		184,578	184,578

There is an unapproved employee share option scheme for three of the company's directors. A total of 3,695,782 B ordinary share options have been granted at an option price of 0.25 pence per share, exercisable only on the company obtaining a market capitalisation of £40 million.