

Penna Consultants Limited

Directors' Report and Financial Statements
for the year ended 31 March 2003

Registered number: 4175643



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Directors and Officers

Directors

David Firth

Farrel Brenner (resigned 22 July 2002)

Susan Noble (appointed 23 July 2002;
resigned 31 March 2003)

Joseph Hanly (appointed 31 March 2003)

Company Secretary

David Firth

Registered Office

15 Welbeck Street
London W1G 9XT

Registered Number

4175643

Directors' Report

for the year ended 31 March 2003

The directors present their annual report on the affairs of the company, together with the unaudited balance sheet and notes thereto, for the year ended 31 March 2003.

Date of incorporation and trading period

The company was incorporated on 5 March 2001 and consequently the comparative figures represent the period from incorporation to 31 March 2002.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period 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; and
- 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 keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Business review and future prospects

The company did not trade during the year and consequently made neither profit nor loss.

The Directors do not expect the company to commence trading in the foreseeable future.

Directors

The directors who were in office during the year and at the end of the year are listed on page 1.

Directors' interests

David Firth is also a director of the ultimate parent company, Penna Consulting Plc. His interest in the shares of that company are disclosed in the financial statements for that parent company.

The directors' interests in the ordinary share capital of the ultimate parent company Penna Consulting plc were as follows:

Directors' Report (continued)

	<u>Number of Shares</u>	
	2003	2002
Farrel Brenner	3,600	13,600
Susan Noble	-	1,200
Joseph Hanly	-	-

The following options to subscribe for shares in the ultimate parent company, Penna Consulting Plc were outstanding at 31 March 2002 and 31 March 2003 under the approved options scheme.

	1 April 2002	Granted	Withdrawn 22.07.02	31 March 2003	Exercise Price	Exercisable from	Expiry Date
Farrel Brenner	10,000	-	10,000	-	146.5p	24.10.00	24.10.07
	10,000	-	10,000	-	256.9p	02.06.02	02.06.09
	12,727	-	12,727	-	550p	01.11.03	01.11.10
	5,090	-	5,090	-	380p	01.11.04	01.11.11

Principal activity

The company has not traded throughout the year and has not incurred any liabilities either.

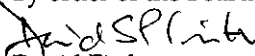
Small company exemptions

The directors have prepared this report in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Auditors

In terms of S249 of the Companies Act 1985, the members have not required the company to appoint auditors.

By order of the Board on 11 November 2003


David Firth
Secretary

Balance sheet

as at 31 March 2003

	Notes	31 March 2003 £	31 March 2002 £
Current Assets			
Debtors – Other debtors		1	1
Net Assets		<u>1</u>	<u>1</u>
Capital and reserves			
Called-up share capital – Equity interests	2	<u>1</u>	<u>1</u>

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

Directors' statement

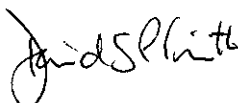
For the year ended 31 March 2003 the company was entitled to exemption under section 249A(1) of the Companies Act 1985.

The members have not required the company to an audit obtain an audit in accordance with section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibility for:

- ensuring the company keeps accounting records which comply with section 221; and
- preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

The unaudited balance sheet and notes on pages 4 and 5 were approved by the board on 11 November 2003 and signed on its behalf by:



David Firth
Director

The accompanying notes are an integral part of this balance sheet.

Notes to the financial statements

for the year ended 31 March 2003

1 Accounting policies

Basis of accounting

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

2 Share capital

	31 March 2003	31 March 2002
Ordinary £1 equity shares:	£	£
Authorised	<u>1,000</u>	<u>1,000</u>
Allotted, called-up and fully-paid	<u>1</u>	<u>1</u>

3 Ultimate parent undertaking

In the opinion of the directors the ultimate parent company of the largest and smallest group in which the company is consolidated is Penna Consulting Plc, a company registered in England and Wales. Copies of the Penna Consulting Plc financial statements can be obtained from 15 Welbeck Street, London, W1G 9XT.