

Company Registration No. 4214548 (England and Wales)

M.A. INTERNATIONAL LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2004



M.A. INTERNATIONAL LIMITED

COMPANY INFORMATION

Chairman	R C H Jeens
Directors	R C Hawk R C H Jeens J D Moore J C Rae B S Solanki
Secretary	PK Cosec Services Limited
Company number	4214548
Registered office	15 The Green Richmond Surrey TW9 1PX
Auditors	Ernst & Young LLP 1 More London Place London Great Britain SE1 2AF
Business address	1 Cornhill London EC3V 3ND
Bankers	Lloyds TSB Bank Plc 34 Moorgate London EC2R 6DN Anglo Irish Bank Corporation plc 10 Old Jewry London EC2R 8DN

M.A. INTERNATIONAL LIMITED

CONTENTS

	Page
Chairman's Statement	1 - 2
Directors' Report	3 - 4
Independent Auditors' Report	5
Consolidated profit and loss account	6
Group Statement of Total Recognised Gains and Losses	7
Consolidated balance sheet	8
Company balance sheet	9
Group statement of cashflows	10
Notes to the group statement of Cashflows	11
Notes to the financial statements	12 - 26

M.A. INTERNATIONAL LIMITED

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 MARCH 2004

I am pleased to present to you our second annual shareholder report and accounts covering the first full year of operations following the corporate restructuring of 2002.

Business Performance

The year ended 31 March 2004 marked the recovery period following the extended market downturn that, with the benefit of hindsight, can be seen as ending during the final quarter of the previous year. The recovery was sustained throughout the year as our clients' business performance improved and hence their appetite to invest in Technology and Operations increased. The firm responded quickly to this market upturn with improved chargeability and increased recruitment activity.

Turnover for the year was £15.8 million, 11% up on the comparable proforma figure of £14.2 million for the previous year. The proforma figure assumes the present ownership structure applied throughout the previous year whereas the statutory accounts figures reflect the restructuring process completed in September 2002. The increase would have been greater but for the significant appreciation of sterling compared to the previous period.

The recovery in chargeability, particularly during the first half of the year, and the maintenance of margins, despite continuing downward pressure, enabled appropriate staff bonuses to be paid with respect to both six-monthly periods. The recruitment, retention and development of our people continues to be a key priority for the firm and is particularly important in the more buoyant market conditions that now prevail. Recruitment is necessarily a thorough and time-consuming process given the high quality standards set by the firm.

The focus of our recruitment during the year was at the Managing Consultant level, to improve our seniority mix, and was evenly balanced between London and New York. At the same time, the proportion of work undertaken by Associates varied over the year. Associate levels were higher in the first half, reflecting the ability to bring on Associates quickly and were reduced in the second half of the year as the number of available permanent consultants increased.

The net profit for the year of £66,000 compares to the proforma figure of £70,000 for the previous year. The board considers this to be a good result in the circumstances and believes that in the short term shareholder interests will best be served by continuing the policy of investing for future growth.

Corporate Developments

Last year we reported on the establishment of HCLm.a. Limited ("HCLma"), the firm's joint venture with HCL Technologies. Despite considerable efforts, HCLma did not achieve the targets that we had set and the decision was taken during the year to stop significant investment. We continue to have a no-obligation marketing agreement with HCL Technologies if an opportunity arises.

The knowledge acquired from the HCLma project was extremely useful in our strategy review which took place mid-year. In the review we agreed to simplify and refocus our overall business goal to be 'building a leading niche financial markets management consultancy'.

During the year the internal organisation of the firm was reviewed based on the experience gained from the first year of corporate operations. The resulting changes and refinements were focussed on the two key areas of our clients (Business Development) and our people (Practice Development) to ensure that effort and investment are most effectively directed to the benefit of both. The revised organisation structure is now working well and is well placed to support the firm's growth strategy.

M.A. INTERNATIONAL LIMITED

**CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2004**

Board

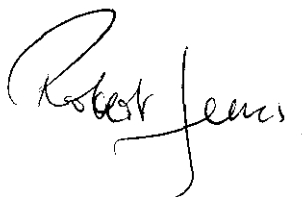
During the year Chuck Hawk decided to retire from his full-time executive role. I would like to thank him for his considerable contribution to the development of the firm and am pleased to report that he has agreed to continue to serve on the board in a non-executive capacity.

In accordance with the company's Articles of Association, at least two directors must present themselves for re-election by the shareholders at each Annual General Meeting. No changes to the board are proposed and Jon Moore and I present ourselves for re-election.

Prospects

Our plans for the current year anticipate a period of sustained growth for the firm, building on the firm foundations now established. Our major competitors are once again competing actively for both business and people. However, we are well positioned to secure both interesting new assignments and the most talented people and are achieving success in both.

May I congratulate and thank all the members of m.a. who have together enabled the firm to come out of the past downturn in good heart and with an enhanced and growing reputation for depth of expertise and quality of delivery. They are the ones that will deliver our future growth.



Robert Jeens

19/7/04
Chairman

M.A. INTERNATIONAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2004

The directors present their report and financial statements for the year ended 31 March 2004.

Principal activities and review of the business

The principal activity of the group is the provision of management consultancy services. The principal activities of the company's subsidiaries are detailed in note 10 to the financial statements.

Review of business

See Chairman's statement.

Results and dividends

The results for the year are set out on page 6.

The directors do not recommend payment of a dividend.

Directors

The following directors have held office since 1 April 2003:

R C Hawk
R C H Jeens
J D Moore
J C Rae
B S Solanki

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of 1p each	
	31 March 2004	1 April 2003
R C Hawk	225,230	225,230
R C H Jeens	108,275	108,275
J D Moore	290,385	290,385
J C Rae	-	-
B S Solanki	225,409	225,409

The following directors were awarded options during the year:

	Options over Ordinary shares of 1p each	
	31 March 2004	1 April 2003
R C Hawk	-	-
R C H Jeens	-	-
J D Moore	3,922	-
J C Rae	-	-
B S Solanki	2,418	-

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Ernst & Young LLP be reappointed as auditors of the company will be put to the Annual General Meeting.

M.A. INTERNATIONAL LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2004**

Directors' responsibilities

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 the group and of the profit or loss of the group 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board

 Secretary

PK Coséc Services Limited

Secretary

19/7/04

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF M.A. INTERNATIONAL LIMITED**

We have audited the group's financial statements for the year ended 31 March 2004 which comprise the Group Profit and Loss Account, Group Statement of Total Recognised Gains and Losses, Group Balance Sheet, Company Balance Sheet, Group Statement of Cash Flows, Notes to the Cash Flow and the related notes 1 to 21. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

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 group 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 group is not disclosed.

We read the directors' report and the Chairman's Statement and consider the implications for our report if we become aware of any apparent misstatements within them.

Basis of audit 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 group'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 and of the group as at 31 March 2004 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**Ernst & Young LLP
Registered Auditor**

Ernst & Young LLP

1 More London Place
London
Great Britain
SE1 2AF

21 July 2004

M.A. INTERNATIONAL LIMITED

**GROUP PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2004**

		2004	2003
	Notes	£	£
Turnover	3	15,824,541	10,348,972
Cost of sales		(12,104,913)	(8,233,414)
Gross profit		3,719,628	2,115,558
Administrative expenses		(3,544,960)	(1,597,140)
Other operating income		-	1,000
Operating profit	4	174,668	519,418
Share of operating loss in Joint Venture	5	(30,441)	(119,953)
Other interest receivable and similar income		28,677	18,786
Interest payable and similar charges	6	(45,985)	(20,716)
Profit on ordinary activities before taxation		126,919	397,535
Tax on profit on ordinary activities	7	(60,414)	(272,236)
Profit on ordinary activities for the year	16	66,505	125,299

The profit and loss account has been prepared on the basis that all operations are continuing operations.

M.A. INTERNATIONAL LIMITED

**GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2004**

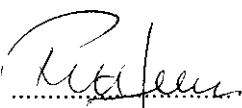
	2004 £	2003 £
Profit for the financial year		
- Group	96,946	245,252
- Joint venture	(30,441)	(119,953)
	<hr/>	<hr/>
	66,505	125,299
Exchange difference on retranslation of net assets of subsidiary undertaking	(23,869)	-
	<hr/>	<hr/>
Total recognised gains relating to the year	<u>42,636</u>	<u>125,299</u>

M.A. INTERNATIONAL LIMITED

**GROUP BALANCE SHEET
AS AT 31 MARCH 2004**

	Notes	2004 £	£	2003 £	£
Fixed assets					
Tangible assets	9		68,158		57,009
Investments - other	10		1		1
			<u>68,159</u>		<u>57,010</u>
Current assets					
Debtors	11	3,449,663		2,717,800	
Cash at bank and in hand		1,209,232		1,082,211	
		<u>4,658,895</u>		<u>3,800,011</u>	
Creditors: amounts falling due within one year	12	(2,510,667)		(1,632,813)	
Net current assets			<u>2,148,228</u>		<u>2,167,198</u>
Total assets less current liabilities			<u>2,216,387</u>		<u>2,224,208</u>
Creditors: amounts falling due after more than one year	13		(728,000)		(808,000)
Provisions for liabilities and charges					
Investments in joint ventures	14				
- Share of gross assets		32,087		29,102	
- Share of gross liabilities		(84,481)		(51,055)	
		<u></u>		<u></u>	
- Share of net liabilities			(52,394)		(21,953)
			<u>1,435,993</u>		<u>1,394,255</u>
Capital and reserves					
Called up share capital	15		54,137		54,137
Share premium account	16		236,619		236,619
Other reserves	16		(283,244)		(282,346)
Profit and loss account	16		1,428,481		1,385,845
Shareholders' funds - equity interests	17		<u>1,435,993</u>		<u>1,394,255</u>

The financial statements were approved by the Board on 19 July 2004


R C H Jeens
Director

M.A. INTERNATIONAL LIMITED

**COMPANY BALANCE SHEET
AS AT 31 MARCH 2004**

	Notes	2004 £	2003 £
Fixed assets			
Investments	10	39,610	39,610
		<u>39,610</u>	<u>39,610</u>
Current assets			
Debtors	11	896	22,518
Cash at bank and in hand		103,135	104,212
		<u>104,031</u>	<u>126,730</u>
Creditors: amounts falling due within one year	12	(93)	(1,045)
Net current assets		<u>103,938</u>	<u>125,685</u>
Total assets less current liabilities		<u>143,548</u>	<u>165,295</u>
Capital and reserves			
Called up share capital	15	54,137	54,137
Share premium account	16	236,619	236,619
Other reserves	16	(245,676)	(244,778)
Profit and loss account	16	98,468	119,317
Equity shareholders' funds	17	<u>143,548</u>	<u>165,295</u>

The financial statements were approved by the Board on 19 July 2004


R C H Jeens
Director

M.A. INTERNATIONAL LIMITED

**GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2004**

	2004		2003	
	£	£	£	£
Net cash inflow from operating activities		747,535		276,137
Returns on investments and servicing of finance				
Interest received	28,677		18,786	
Interest paid	(45,985)		(20,716)	
Net cash outflow from returns on investments and servicing of finance		(17,308)		(1,930)
Taxation		(465,442)		(323,614)
Capital expenditure and financial investment				
Payments to acquire tangible assets	(57,256)		(36,936)	
Payments to acquire investments	-		(98,000)	
Receipts from sales of tangible assets	390		5,773	
Net cash outflow from capital expenditure		(56,866)		(129,163)
Acquisitions and disposals				
Purchase of subsidiary undertakings (net of cash acquired)	-		246,290	
Net cash inflow from acquisitions and disposals		-		246,290
Net cash inflow before financing		207,919		67,720
Financing				
Issue of ordinary share capital	-		8,409	
Purchase of own shares by EBT	(898)		-	
Other new long term loans	-		808,000	
Repayment of other long term loans	(80,000)		-	
	(80,898)		816,409	
Net cash (outflow)/inflow from financing		(80,898)		816,409
Increase in cash in the year		127,021		884,129

M.A. INTERNATIONAL LIMITED

**NOTES TO THE GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2004**

1	Reconciliation of operating profit to net cash inflow from operating activities		2004	2003
			£	£
	Operating profit		174,668	519,418
	Depreciation of tangible fixed assets		43,130	29,932
	Amortisation of intangible assets		-	(50,663)
	Loss/ (profit) on disposal of tangible assets		254	(3,047)
	Increase/ (decrease) in debtors		(671,452)	83,433
	Increase/ (decrease) in creditors		1,222,471	(302,936)
	Net effect of foreign exchange differences		(21,536)	-
	Net cash inflow from operating activities		747,535	276,137
2	Analysis of net funds	1 April 2003	Cash flow	31 March 2004
		£	£	£
	Net cash:			
	Cash at bank and in hand	1,082,211	127,021	1,209,232
	Debt:			
	Debt falling due after one year	(808,000)	80,000	(728,000)
	Net funds	274,211	207,021	481,232
3	Reconciliation of net cash flow to movement in net funds		2004	2003
			£	£
	Increase in cash in the year		127,021	884,129
	Cash outflow/(inflow) from decrease/(increase) in debt		80,000	(808,000)
	Movement in net funds in the year		207,021	76,129
	Opening net funds		274,211	198,082
	Closing net funds		481,232	274,211

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2004**

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset evenly over its expected useful life, as follows:

Computer equipment	Over 30 months
--------------------	----------------

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

1.4 Investments

Fixed asset investments are stated at cost less provision for diminution in value. The carrying values of investments are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

1.5 Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more tax, with the following exceptions:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Provision is made for deferred tax that would arise on remittance of the retained earnings of the overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2004

1 Accounting policies**(continued)****1.6 Foreign currency translation**

The financial statements of overseas subsidiary undertakings are translated at the rate of exchange ruling at the balance sheet date. The exchange difference arising on the retranslation of opening net assets is taken directly to reserves. All other translation differences are taken to the profit and loss account with the exception of differences on foreign currency borrowings to the extent that they are used to finance or provide a hedge against group equity investments in foreign enterprises, which are taken directly to reserves together with the exchange difference on the net investment in these enterprises. Tax charges and credits attributable to exchange differences on those borrowings are also dealt with in reserves.

1.7 Group financial statements

The group financial statements consolidate the results of the company and its subsidiary undertakings for the period to 31 March 2004.

In respect of m.a. management services Limited and its subsidiary undertakings, the group financial statements have been prepared in accordance with the principles of merger accounting.

The profits and losses of the other subsidiary undertaking (m.a. partners LLC) are consolidated using the acquisition method of accounting. The difference between the cost of acquisition of shares in the subsidiary undertakings and the fair value of the separable net assets acquired is amortised through the profit and loss account in equal instalments over its estimated useful life.

The joint venture (HCLm.a. Limited) has been accounted for using the equity method of accounting.

The transactions relating to the Employee Benefit Trust have been consolidated within the company's and the group's financial statements.

No profit and loss account has been presented for m.a. international Limited as permitted by section 230 of the Companies Act 1985. The parent company's loss for the financial period was £20,849.

1.8 Goodwill

Goodwill arising on consolidation represents the excess of the fair value of the consideration given, over the fair value of identifiable net assets acquired.

2 Share of joint venture's turnover

	2004 £	2003 £
Turnover: group and share of joint venture	16,660,243	10,373,712
Less: share of joint venture's turnover	(835,702)	(24,740)
	<hr/>	<hr/>
Group turnover	<u>15,824,541</u>	<u>10,348,972</u>

M.A. INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2004

3 Turnover

Geographical market

Turnover	
2004	2003
£	£
United Kingdom and rest of Europe	12,662,526
United States of America	9,011,993
	3,162,015
	1,336,979
	<u>15,824,541</u>
	<u>10,348,972</u>

4 Operating profit

2004	2003
£	£
Operating profit is stated after charging/ (crediting):	
Amortisation of intangible assets	- (50,663)
Depreciation of tangible assets	43,130 29,931
Loss on foreign exchange transactions	28,772 21,360
Auditors' remuneration	36,000 30,000
Loss/ (profit) on disposal of tangible assets	254 (3,047)
	<u>45,985</u>
	<u>20,716</u>

5 Share of operating loss in joint ventures

2004	2003
£	£
Share of operating loss in HCLm.a. Limited	(30,441) (119,953)
	<u>(30,441)</u>
	<u>(119,953)</u>

6 Interest payable

2004	2003
£	£
Other interest	(149) -
Loan interest	46,134 20,716
	<u>45,985</u>
	<u>20,716</u>

M.A. INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2004

7 Taxation	2004	2003
	£	£
Domestic current year tax		
U.K. corporation tax	74,643	168,012
Adjustment for prior years	1,417	71,326
	<u>76,060</u>	<u>239,338</u>
Foreign corporation tax		
Foreign corporation tax	(13,425)	36,277
	<u>62,635</u>	<u>275,615</u>
Current tax charge		
	62,635	275,615
Deferred tax		
Deferred tax credit for current year (note 11)	(2,221)	(3,379)
	<u>60,414</u>	<u>272,236</u>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	<u>126,919</u>	<u>397,535</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2003: 30.00%)	<u>38,076</u>	<u>119,261</u>
Effects of:		
Non deductible expenses	20,573	41,048
Depreciation add back	9,488	7,544
Capital allowances	(9,195)	(5,194)
Tax losses carried forward	10,006	39,041
Foreign income taxed at a higher rate	-	7,375
Adjustments to previous periods	1,417	71,326
Group loss relief	(4,551)	-
Other tax adjustments	(3,179)	(4,786)
	<u>24,559</u>	<u>156,354</u>
Current tax charge	<u>62,635</u>	<u>275,615</u>

M.A. INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2004

8 Intangible fixed assets

Goodwill
£

Cost

At 1 April 2003 & at 31 March 2004

(50,663)

Amortisation

At 1 April 2003 & at 31 March 2004

(50,663)

Net book value

At 31 March 2003 & at 31 March 2004

-

The parent company does not own any intangible assets.

9 Tangible fixed assets

**Computer
equipment**
£

Cost

At 1 April 2003

133,499

Exchange differences

(6,953)

Additions

57,256

Disposals

(5,014)

At 31 March 2004

178,788

Depreciation

At 1 April 2003

76,490

Exchange differences

(4,620)

On disposals

(4,370)

Charge for the year

43,130

At 31 March 2004

110,630

Net book value

At 31 March 2004

68,158

At 31 March 2003

57,009

The parent company does not own any tangible fixed assets.

M.A. INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2004

10 Fixed asset investments

	Group Unlisted investments £	Company Unlisted investments £
Cost		
At 1 April 2003 & at 31 March 2004	24,750	39,610
Provisions for diminution in value		
At 1 April 2003 & at 31 March 2004	24,749	-
Net book value		
At 31 March 2003 & at 31 March 2004	1	39,610

Company	Country of incorporation	Class of share capital held	Proportion held by	
			Parent company %	Group %
Subsidiary undertakings				
m.a. management services Limited	England	Ordinary	100	
m.a. partners LLC	USA	Ordinary	100	
m.a. partnership (IoM) Limited	Isle of Man	Ordinary		100
m.a. partners Limited	England	Ordinary		100
m.a. ventures Limited	England	Ordinary		100
millennia associate resources Limited	England	Ordinary		100
Other significant interests				
HCLm.a. Limited	England	Ordinary		49

	Capital and reserves 2004 £	Profit/(loss) for the year 2004 £
m.a. management services Limited	100	-
m.a. partners LLC	61,643	(14,675)
m.a. partnership (IoM) Limited	(107,796)	(102,393)
m.a. partners Limited	1	-
m.a. ventures Limited	1,430,590	136,864
millennia associate resources Limited	1	-

M.A. INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2004

10 Fixed asset investments

(continued)

The principal activities of the subsidiary undertakings are as follows:

- (i) m.a. management services Limited - Investment holding company.
- (ii) m.a. partners LLC - Provision of management consultancy.
- (iii) m.a. partnership (IoM) Limited - Investment holding company.
- (iv) m.a. partners Limited - Dormant company.
- (v) m.a. ventures Limited - Provision of management consultancy.
- (vi) millennia assoicate resources Limited - Dormant company.

M.A. INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2004

11 Debtors	2004	2003
	£	£
Group		
Trade debtors	3,134,318	2,370,705
Amounts owed by joint venture	83,300	124,752
Corporation tax	58,190	-
Other debtors	55,422	114,895
Prepayments and accrued income	113,705	104,941
Deferred tax asset	4,728	2,507
	<u>3,449,663</u>	<u>2,717,800</u>
Deferred tax		
	2004	
	£	
Balance at 1 April 2003	2,507	
Profit and loss account	2,221	
	<u>4,728</u>	
Balance at 31 March 2004		
	2004	2003
	£	£
Depreciation in advance of capital allowances	<u>4,728</u>	<u>2,507</u>
	2004	2003
	£	£
Company		
Other debtors	<u>896</u>	<u>22,518</u>

M.A. INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2004

12 Creditors: amounts falling due within one year	2004	2003
	£	£
Group		
Trade creditors	430,246	445,274
Corporation tax	-	344,617
Other taxes and social security costs	323,559	218,358
Other creditors	-	234,769
Accruals and deferred income	1,756,862	389,795
	<u>2,510,667</u>	<u>1,632,813</u>
	2004	2003
	£	£
Company		
Trade creditors	-	980
Accruals and deferred income	93	65
	<u>93</u>	<u>1,045</u>
13 Creditors: amounts falling due after more than one year	2004	2003
Group	£	£
Other loan	<u>728,000</u>	<u>808,000</u>

Other loan relates to loans from employees (including directors).

The loan shall be repayable on the earliest to occur of the following:

(i) 30 September 2010

(ii) a sale, listing or a liquidation

(iii) at the group's discretion.

If the lender ceases to be employed or engaged by the group, 50% of the capital shall be paid on the date 6 months following the lender ceasing to be employed or engaged with the balance payable on the date 12 months following the lender ceasing to be so employed or engaged.

Interest has been accrued on the loan at a rate equal to 2% per annum above the base rate of Lloyds TSB PLC. As at 31 March 2004, the rate was 5.75%. Interest is paid twice annually.

The company does not have any creditors due after more than one year.

M.A. INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2004

14 Provision for liabilities and charges

The group's share of the joint venture, HCLm.a. Limited, is as follows:

The principal activity of HCLm.a. Limited is the provision of management consultancy services in the offshore market.

	2004		2003	
	£	£	£	£
Share of turnover		<u>835,702</u>		<u>24,740</u>
Share of loss before tax	30,441		119,953	
Taxation	<u>-</u>		<u>-</u>	
Share of loss after tax		<u>30,441</u>		<u>119,953</u>
Share of assets				
Fixed assets	-		2,329	
Current assets	<u>32,087</u>		<u>26,773</u>	
	32,087		29,102	
Share of liabilities				
Due within one year or less	<u>(84,481)</u>		<u>(51,055)</u>	
Share of net liabilities		<u>(52,394)</u>		<u>(21,953)</u>

15 Share capital

	2004	2003
	£	£
Authorised		
100,000,000 Ordinary shares of 1p each	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, called up and fully paid		
5,413,700 Ordinary shares of 1p each	<u>54,137</u>	<u>54,137</u>

M.A. INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2004

16 Statement of movements on reserves
Group

	Share premium account £	Other reserves £	Profit and loss account £
Balance at 1 April 2003	236,619	(282,346)	1,385,845
Retained profit for the year	-	-	66,505
Foreign currency translation differences	-	-	(23,869)
Acquisition of own shares by EBT	-	(898)	-
Balance at 31 March 2004	<u>236,619</u>	<u>(283,244)</u>	<u>1,428,481</u>

Company

	Share premium account £	Reserves for employee benefit trust £	Profit and loss account £
Balance at 1 April 2003	236,619	(244,778)	119,317
Retained loss for the year	-	-	(20,849)
Movement during the year	-	(898)	-
Balance at 31 March 2004	<u>236,619</u>	<u>(245,676)</u>	<u>98,468</u>

M.A. INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2004

17 Reconciliation of movements in shareholders' funds	2004	2003
Group	£	£
Profit for the financial year	66,505	125,299
Other recognised gains and losses	(23,869)	-
Proceeds from issue of shares	-	290,755
Movements on other reserves	(898)	(282,346)
	<hr/>	<hr/>
Net addition to shareholders' funds	41,738	133,708
Opening shareholders' funds	1,394,255	1,260,547
	<hr/>	<hr/>
Closing shareholders' funds	1,435,993	1,394,255
	<hr/>	<hr/>
 Company	 £	 £
(Loss)/profit for the financial year	(20,849)	119,317
Proceeds from issue of shares	-	290,755
Movements on other reserves	(898)	(244,778)
	<hr/>	<hr/>
Net addition to shareholders' funds	(21,747)	165,294
Opening shareholders' funds	165,295	1
	<hr/>	<hr/>
Closing shareholders' funds	143,548	165,295
	<hr/>	<hr/>

M.A. INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2004

18 Directors' emoluments	2004 £	2003 £
--------------------------	-----------	-----------

Emoluments for qualifying services were as follows:

R C H Jeens	60,000	30,000
J D Moore	249,509	75,730
J C Rae	35,000	17,562
R C Hawk	166,368	79,089
B S Solanki	195,141	79,089
	<u>706,018</u>	<u>281,470</u>

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	<u>249,509</u>	<u>79,089</u>
------------------------------------	----------------	---------------

The following directors were awarded options during the year:

	Strike price	At 1 April 2003	Awarded during the year	31 March 2004
J D Moore	£1.34	-	3,922	3,922
B S Solanki	£1.34	-	2,418	2,418

The options are exercisable between 30 September 2006 and 30 September 2013.

M.A. INTERNATIONAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2004****19 Employees****Number of employees**

The average monthly number of employees (including directors) during the year was:

	2004 Number	2003 Number
Management	7	7
Administration	9	9
Consultants	52	49
	<u>68</u>	<u>65</u>

Employment costs

	£	£
Wages and salaries	9,206,127	4,679,100
Social security costs	705,884	448,324
	<u>9,912,011</u>	<u>5,127,424</u>

20 Employee Benefit Trust

The Trust was set up by m.a. international Limited on 17 October 2002. The company wishes this Trust to operate as an employee share scheme within the meaning of section 743 of the Companies Act 1985 to facilitate the recruitment, retention and motivation of employees of m.a. international Limited and its subsidiaries. The Trustees of the Trust are Gerrard Trust (Jersey) Limited. The beneficiaries of the Trust are any employee of an m.a. group company, the relatives of such an employee or a charity. The Trustees have absolute discretion in the exercise of the powers conferred upon them, namely the acquisition by purchase of shares and the transfer of those shares to the beneficiaries of the Trust in a way in which the Trustees think fit.

During the year, the Trust purchased 89,815 ordinary shares of 1p each in m.a. international Limited at par from leavers.

Options have been granted to directors and employees as follows :

	No of options	Strike Price
As at 1 April 2003	458,663	30p
Awarded during the year	144,000	£1.31
	224,078	£1.34
As at 31 March 2004	<u>826,741</u>	

M.A. INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2004

21 Related party transactions

(i) HCLm.a. Limited

During the year, the group provided services to HCLm.a. Limited, a joint venture in which the group has a participating interest amounting to £405,225. As at 31 March 2004, an amount of £83,300 (2003 - £124,752) was due from HCLm.a. Limited.

(ii) Directors

As at 31 March 2004, other loans of £40,000 each were due to J D Moore and B S Solanki, both of whom are directors of m.a. international Limited. An amount of £4,307 is charged to the profit and loss account as interest for the above loans.