

Penna Sanders & Sidney Limited

Directors' Report and Financial Statements
for the year ended 31 March 2005

Registered number: 4264250



Contents

	Page
<i>Directors and Advisors</i>	1
<i>Directors' Report</i>	2
<i>Balance Sheet</i>	4
<i>Notes to the Financial Statements</i>	5

Directors and Advisors

Directors

David Firth

Patricia Marchant (appointed 6/7/05)

Company Secretary

Patricia Marchant (appointed 6/7/05)

Graham Buck (resigned 12/7/05)

Registered Office

15 Welbeck Street

London W1G 9XT

Registered Number

4264250

Directors' Report

for the year ended 31 March 2005

The directors present their report on the affairs of the Company, together with the unaudited balance sheet and notes thereto, for the year ended 31 March 2005.

Date of incorporation

The company was incorporated on 3 August 2001.

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

Directors' Report (continued)

for the year ended 31 March 2005

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

	<u>Number of Shares</u>	
	2005	2004
Graham Buck	800	400

The following options to subscribe for shares in the ultimate parent company, Penna Consulting plc were outstanding at 1 April 2004 and 31 March 2005 under the approved and unapproved options schemes.

	1 April 2004	Granted	Exercised	31 March 2005	Exercise Price	Exercisable from	Expiry Date
Graham Buck	2,455	-	-	2,455	91p	20.12.05	20.12.12
	5,000	-	-	5,000	125p	1.8.06	1.8.13

In addition to the options shown above Graham Buck participates in the Company's Sharesave Scheme which is open to all UK employees. This involves a three year savings contract which when completed will entitle the participant to purchase ordinary shares in the Company at a price fixed at the start of the contract. Details of the individual entitlements under the Sharesave Scheme are as follows:

	Start date of savings contract	Exercise price	Total Max No of shares	Total savings to 31 March 2005
Graham Buck	1 February 2004	86p	3,775	£1,232
	1 February 2003	61p	10,038	£4,260

Principal activity

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

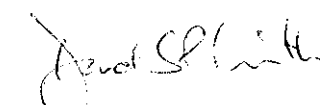
Small company exemptions

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 S249B(2) of the Companies Act 1985, the members have not required the company to appoint auditors.

By order of the Board on 15/12/05



David Firth
Director

Balance Sheet

As at 31 March 2005

	Notes	31 March 2005 £	31 March 2004 £
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 accounts 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 2005 the company was entitled to exemption under section 249A(1) of the Companies Act 1985.

The members have not required the company to 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 financial statements 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 of directors on 15/12/05 and signed on its behalf by:



Patricia Marchant

Director

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

Notes to the financial statements

for the year ended 31 March 2005

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 2005	31 March 2004
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 company

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