

Company Registration No. 2226163 (England and Wales)

PMD HOLDINGS PLC
(FORMERLY SCRIPTS.MD PLC)
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2003



**PMD HOLDINGS PLC
(FORMERLY SCRIPTS.MD PLC)
COMPANY INFORMATION**

| | |
|--------------------------|---|
| Directors | P.M. Domb M. Domb |
| Secretary | M. Domb |
| Company number | 2226163 |
| Registered office | 3 Dronken House, 43A High Street Kings Langley Herts WE4 8FG |
| Auditors | N. Tyrrell & Co. 3 Stedham Place London WC1A 1HU |

PMD HOLDINGS PLC
(FORMERLY SCRIPTS.MD PLC)
CONTENTS

| | Page |
|-----------------------------------|-------------|
| Directors' report | 1 |
| Independent auditors' report | 2 |
| Profit and loss account | 3 |
| Balance sheet | 4 |
| Cash flow statement | 5 |
| Notes to the cash flow statement | 0 |
| Notes to the financial statements | 6 - 8 |

PMD HOLDINGS PLC
(FORMERLY SCRIPTS.MD PLC)
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 JULY 2003

The directors present their report and financial statements for the year ended 31 July 2003.

The company changed its name by special resolution from Scripts.MD Plc to PMD Holdings Plc on 12 September 2002.

Principal activities

The company is a holding company and does not trade.

Directors

The following directors have held office since 1 August 2002:

P.M. Domb
M. Domb

Directors' interests

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

| | Ordinary shares of £ 1 each | |
|-----------|-----------------------------|---------------|
| | 31 July 2003 | 1 August 2002 |
| P.M. Domb | 26,100 | 26,100 |
| M. Domb | 26,100 | 26,100 |

Auditors

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

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 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;
- 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 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board


P.M. Domb

Director

20 November 2003

**PMD HOLDINGS PLC
(FORMERLY SCRIPTS.MD PLC)
INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF PMD HOLDINGS PLC**

We have audited the financial statements of PMD HOLDINGS PLC on pages 3 to 8 for the year ended 31 July 2003. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 1 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom 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 company 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 company is not disclosed.

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

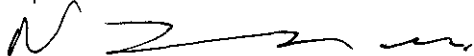
Basis of audit opinion

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 company'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 the company's affairs as at 31 July 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



N. Tyrrell & Co.

Chartered Accountants

Registered Auditor

3 Stedham Place

London

WC1A 1HU

20 November 2003

PMD HOLDINGS PLC
(FORMERLY SCRIPTS.MD PLC)
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 2003

| | Notes | 2003 £ | 2002 £ |
|--|-------|-----------|-----------|
| Loss on ordinary activities before taxation | | - | - |
| Tax on loss on ordinary activities | 2 | - | - |
| Loss on ordinary activities after taxation | 5 | - | - |

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

There are no recognised gains and losses other than those passing through the profit and loss account.

PMD HOLDINGS PLC
(FORMERLY SCRIPTS.MD PLC)
BALANCE SHEET
AS AT 31 JULY 2003

| | Notes | 2003 £ | £ | 2002 £ | £ |
|---|-------|-----------|----------|-----------|----------|
| Fixed assets | | | | | |
| Investments | 3 | | 2 | | - |
| Current assets | | | | | |
| Cash at bank and in hand | | - | | 2 | |
| Net current assets | | | - | | 2 |
| Total assets less current liabilities | | | <u>2</u> | | <u>2</u> |
| Capital and reserves | | | | | |
| Called up share capital | 4 | | 52,200 | | 52,200 |
| Profit and loss account | 5 | | (52,198) | | (52,198) |
| Shareholders' funds - equity interests | 6 | | <u>2</u> | | <u>2</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.

The financial statements were approved by the Board on 20 November 2003


P.M. Domb
Director

PMD HOLDINGS PLC
(FORMERLY SCRIPTS.MD PLC)
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2003

| | 2003 | | 2002 | |
|---|------|-----|------|---|
| | £ | £ | £ | £ |
| Net cash outflow from operating activities | | - | | - |
| Acquisitions and disposals | | | | |
| Purchase of subsidiary undertakings (net of cash acquired) | (2) | | - | |
| Net cash outflow for acquisitions and disposals | | (2) | | - |
| Net cash outflow before management of liquid resources and financing | | (2) | | - |
| Decrease in cash in the year | | (2) | | - |

PMD HOLDINGS PLC
(FORMERLY SCRIPTS.MD PLC)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2003

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

1.3 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

2 Taxation

Current tax charge

| | | |
|--|-------------------|-------------------|
| | | |
| | - | - |
| | <u> </u> | <u> </u> |

Factors affecting the tax charge for the year

Loss on ordinary activities before taxation

| | | |
|--|-------------------|-------------------|
| | - | - |
| | <u> </u> | <u> </u> |

Loss on ordinary activities before taxation multiplied by standard rate of
 UK corporation tax of 0.00% (2002 : 0.00%)

- -

Effects of:

| | | |
|--|-------------------|-------------------|
| | | |
| | - | - |
| | <u> </u> | <u> </u> |

Current tax charge

| | | |
|--|-------------------|-------------------|
| | - | - |
| | <u> </u> | <u> </u> |

No Corporation Tax charge arises on the results for the year.

PMD HOLDINGS PLC
(FORMERLY SCRIPTS.MD PLC)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2003

3 Fixed asset investments

| | Shares in group undertakings and participating interests |
|------------------|---|
| | £ |
| Cost | |
| At 1 August 2002 | - |
| Additions | 2 |
| | <u>2</u> |
| At 31 July 2003 | <u>2</u> |

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

| Company | Country of registration or incorporation | Class | Shares held % |
|--------------------------------|---|----------|------------------|
| Subsidiary undertakings | | | |
| Virtual Realty Too Ltd | UK | Ordinary | 100 |

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

| | Capital and reserves 2003 £ | Profit for the year 2003 £ |
|------------------------|--------------------------------------|-------------------------------------|
| Virtual Realty Too Ltd | <u>2</u> | <u>-</u> |

4 Share capital

| | 2003 £ | 2002 £ |
|---|----------------|----------------|
| Authorised | | |
| 100,000 Ordinary shares of £ 1 each | <u>100,000</u> | <u>100,000</u> |
| Allotted, called up and fully paid | | |
| 52,200 Ordinary shares of £ 1 each | <u>52,200</u> | <u>52,200</u> |

PMD HOLDINGS PLC
(FORMERLY SCRIPTS.MD PLC)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2003

5 Statement of movements on profit and loss account

**Profit and
loss
account
£**

Balance at 1 August 2002 (52,198)

Balance at 31 July 2003 (52,198)

6 Reconciliation of movements in shareholders' funds

**2003
£**

**2002
£**

Loss for the financial year - -

Opening shareholders' funds 2 2

Closing shareholders' funds 2 2