

Company Registration No. 03607871

PEH UK HOLDINGS LIMITED

Report and Financial Statements

31 March 2003



PEH UK HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS 2003

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PEH UK HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS 2003

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

M Fallen
S Maine

SECRETARY

J Bailey

REGISTERED OFFICE

37 Carr Lane
Kingston upon Hull
HU1 3RE

PEH UK HOLDINGS LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 March 2003.

RESULTS AND DIVIDENDS

The profit for the year attributable to shareholders amounts to £nil (2002 – £nil). The directors do not recommend payment of a dividend (2002 - £nil).

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the company is that of an intermediate holding company. The company did not trade during the current or preceding period and has made neither profit nor loss, nor any other recognised gain or loss. Consequently these financial statements only consist of a balance sheet and the related footnotes.

The company is not expected to trade in the foreseeable future.

DIRECTORS AND THEIR INTERESTS

The directors of the company are detailed on page 1.

According to the register maintained as required under the Companies Act 1985 none of the directors had any interests in the share capital of the company.

Messrs M J Fallen and S Maine are also directors of the ultimate parent company, Kingston Communications (HULL) PLC, in whose financial statements their interests are shown.

Approved by the Board of Directors
and signed on behalf of the Board



M Fallen

Director

2 September 2003

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 as at the end of the financial year 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; 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 to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PEH UK HOLDINGS LIMITED

BALANCE SHEET 31 March 2003

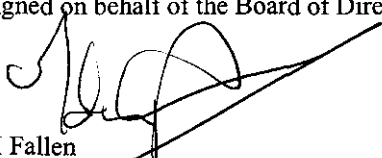
	Note	31 March 2003 £	31 March 2002 £
FIXED ASSETS			
Investment in subsidiary	2	355,040	355,040
NET ASSETS		<u>355,040</u>	<u>355,040</u>
CAPITAL AND RESERVES			
Called up share capital	3	100	100
Share premium account	4	354,940	354,940
EQUITY SHAREHOLDERS' FUNDS		<u>355,040</u>	<u>355,040</u>

The annual financial statements have not been audited because the company is entitled to the exemption provided by section 249AA(1) of the Companies Act 1985 relating to dormant companies and its members have not required the company to obtain an audit of these financial statements in accordance with section 249B(2).

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records that comply with section 221 of the Companies Act 1985. The directors also acknowledge their responsibilities for 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 section 226 of the Companies Act 1985 and which otherwise comply with the requirements of that Act relating to financial statements, so far as applicable to the company.

These financial statements were approved by the Board of Directors on 2 September 2003

Signed on behalf of the Board of Directors



M Fallen

Director

NOTES TO THE ACCOUNTS
Year ended 31 March 2003

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the current and prior periods.

Basis of preparation

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

No profit and loss account has been presented as the company did not trade in either the current or prior period and has made neither profit nor loss, nor any other recognised gain or loss.

As at 31 March 2003, the company was a subsidiary undertaking where 90% or more of the voting rights were controlled within the Kingston Communications (HULL) PLC group and was included in the consolidated financial statements of that group, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996). The company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Kingston Communications (HULL) PLC group or investees of that group.

Further, the company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 228 of the Companies Act 1985 because its immediate parent undertaking is incorporated within the European Union.

Fixed asset investments

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

2. INVESTMENT IN SUBSIDIARY

	31 March 2003 £	31 March 2002 £
Investment in subsidiary undertaking	355,040	355,040

The following information relates to the company's investment.

Name of company	Place of registration	Description of shares held	Proportion of shares held	No. of shares
Milgo Solutions Limited	England & Wales	Ordinary Shares of £1 each	100%	25,504,240

Milgo Solutions Limited's principal activity is the configuration, installation, maintenance and management of data communications networks.

3. SHARE CAPITAL

	31 March 2003 £	31 March 2002 £
Authorised		
100 Ordinary shares of £1 each	100	100
Called up, allotted and fully paid		
100 Ordinary shares of £1 each	100	100

NOTES TO THE ACCOUNTS

Year ended 31 March 2003

4. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share capital £	Share premium account £	Total sharehold- ers' funds £
As at 1 April 2002	100	354,940	355,040
As at 31 March 2003	100	354,940	355,040

5. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The company's immediate parent undertaking is Kingston Business Communications Limited. Copies of Kingston Business Communications Limited's financial statements can be obtained from 37 Carr Lane, Hull, HU1 3RE.

The parent undertaking of the only group of undertakings for which group financial statements are drawn up and of which the company is a member is Kingston Communications (HULL) PLC, registered in England and Wales. Kingston Communications (HULL) PLC is also the company's ultimate controlling party. Copies of Kingston Communications (HULL) PLC's financial statements can be obtained from 37 Carr Lane, Hull, HU1 3RE.