Financial Statements

for the year ended 30 April 2003

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Directors and Advisers

Directors	David Timothy Andrew Simon (Chairman and Chief Executive) Ian Robert Selby (Chief Financial Officer) Bernard William Fairman (Non-executive Director) Colin Leslie Peters (Non-executive Director)
Secretary and Registered Office	Sally Anne Johnson 17-29 Sun Street London EC2M 2PT
Nominated Adviser	John East & Partners Limited Crystal Gate 28-30 Worship Street London EC2A 2AH
Stockbroker	Teather & Greenwood Limited Beaufort House 15 St Botolph Street London EC3A 7QR
Auditors	RSM Robson Rhodes LLP 186 City Road London EC1V 2NU
Solicitors to the Company	Richards Butler Beaufort House 15 St Botolph Street London EC3A 7EE
Principal Bankers	HSBC Republic Bank (UK) Limited 31 Hill Street London W1J 5LS
Registrars and Transfer Office	Capita Registrars The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
Website Address	www.mondas.com

Chairman's Statement

for the year ended 30 April 2003

Introduction

I am pleased to report on the consolidated results of Mondas for the year ended 30 April 2003. During the second half year to 30 April 2003 Mondas PLC ("the Group", "the Company" or "Mondas") achieved its best operating results to date, posting record revenues and operating profits with substantial cash generation. Investment in new products throughout the year has now been translated into sales in both Financial and Education Markets. Complex large-scale systems have been successfully deployed in both the Financial and Commercial Sectors. Our client list has continued to expand both in quality and quantity, with major elements of the Credit Suisse group adopting our flagship financial solution, Radica CAPS (Corporate Actions Processing System). All this was accomplished despite the ongoing bear market and general economic slowdown and has reinforced our position as a market leader in accounting solutions for the Further Education market, and in Corporate Actions ("CA") processing in the Banking & Securities Sector.

Results

Turnover for the twelve months to 30 April 2003 was £3.713 million (2002: £3.742 million). The final six months saw revenues grow by 12% to £2.260 million (2002: £2.012 million). This partially offset the turmoil in the first six months of the year that adversely affected sales, particularly in the Financial sector. Turnover was split approximately equally across the business units. Material licence and service income from the major new contracts from financial institutions and final deliveries to Blue Arrow Limited ("Blue Arrow") and GNI Limited ("GNI"), contributed to the increased revenue in the second half.

Our operating loss before goodwill amortisation and depreciation was £679,000 (2002: £416,000). This was after a restructuring charge of £154,000 (2002: £180,000) reflecting reductions made to address the continuously challenging economic environment. After allowing for this charge, the second half saw an operating profit before interest, tax, depreciation and amortisation of £229,000 (2002: £84,000)

Despite the trading environment Mondas continued to invest in new products and during the year increased its Research & Development investment to £616,000 (2002: £363,000). Major projects included the development of Resource Learning Management System ("LMS") and the new version of Radica CAPS.

Cash balances as at 30 April 2003 were £977,000 (2002: £1.420 million). During the second half Mondas generated significant cash from operations in addition to the £350,000 net proceeds from the December 2002 placing. The Company placed, at 23.5p per share, 1,004,749 new ordinary shares and 573,722 existing ordinary shares (resulting from the Reality warranty claim settlement, raising £134,000. Such shares would otherwise have been cancelled and had been fully provided for at 30 April 2002). Both new and existing institutional investors, as well as members of the Board and staff, participated in this placing.

Trade debtors represented the last 19 days of sales based on billings in April 2003 (2002: 23).

Deferred revenues increased to £856,000 (2002: £796,000), and the order book stood at £900,000 (2002: £1.700 million). The change in the value of the order book primarily arises from significant deliveries against the large order from Brewin Dolphin Securities Limited ("Brewin Dolphin") received in April 2002.

Chairman's Statement

continued

Operations Review

The Company now comprises two discrete business units: one addressing the Banking and Securities Sector ("Banking and Securities Business Unit") and one focused on the Public and Commercial Sectors with Resource accounting and financial solutions ("Resource Business Unit"). The Company has been structured to withstand the uncertainties in the market and will continue to match resources with market demands.

Banking and Securities Business Unit Review

We were delighted to announce in December 2002, that Mondas has signed an agreement with Credit Suisse First Boston (Europe) Limited ("CSFB"), for the largest sale to date of Radica CAPS. The contract for the initial phase, covers licences, project and support services for their UK, European and possibly Asia Pacific based investment banking and securities businesses. This order is worth a minimum of £640,000 to the Company, with CSFB having the option of confirming an additional £450,000 of professional services work.

Following on from this, in April 2003, contracts were signed with Credit Suisse Asset Management (UK) Holding Limited ("CSAM") worth a minimum of £112,000 for Radica CAPS. Both these sales were won against strong competition from both European and U.S. vendors.

In the period, the Corporate Actions team has been extended to bring additional skills and more resources into the unit. The latest version of Radica CAPS was implemented at GNI, part of the Man Group plc, where they stated that "the Mondas team had managed the project extremely professionally and proved its ability to deliver a quality, functionally rich CA solution". We believe this has helped to demonstrate to the market that we are a credible vendor for increasingly larger Corporate Actions projects.

In addition, client demands have led to enhancements addressing the specific needs of the global investment banking arena which, the Directors believe, will expand the market for Radica CAPS to many different institutions across the Banking & Securities Sector.

Mondas has continued to develop new solutions and deliver enhancements for its existing clients such as Man Securities, Close Wealth Management and leading private client broker, Brewin Dolphin. Mondas continues to look for new areas to deploy its technology and has now developed a complex, workflow-based control system to monitor and reconcile disparate applications and replicate data. The first deployment of this new system will be in the current reporting period and may trigger new opportunities in due course.

Resource Business Unit Review

The Mondas strategy to take its accounting and finance solution, Resource 32000, into larger commercial organisations was validated by the successful implementation of the Credit Management system for Blue Arrow, one of the UK's largest recruitment businesses. This was the largest delivery that the Resource Business Unit has made with over 100 users of the system in a contract worth over £350,000. The Directors believe that similar contracts, despite their longer sales cycles, represent a significant opportunity. Mondas is therefore further investing in its ability to win and deliver these solutions.

Mondas has worked with its Education sector customers to broaden its product offering. This has produced an integrated suite that adds learning management and continuous professional development applications to our existing accounting, human resources and payroll solutions. Your Board believes that there are few companies capable of delivering a truly integrated solution such as this and the investment during the year is beginning to bear fruit. In June 2003, we achieved our first Resource LMS sale and, indeed, first integrated solution sale combining Resource LMS with Resource 32000 for Richmond Adult Community College in a pioneering agreement worth approximately £100,000.

Chairman's Statement

continued

Launched in November 2002, Resource LMS manages the people and processes within an education environment including enrolments, examination management and, vital to colleges, the production of the government reports required to secure their funding. The Directors believe that many more colleges will be seeking to replace their systems in this area over the next few years.

Management Changes

In January 2003 Tom McClelland resigned from the Board of Mondas Information Technology Limited, the Company's only wholly-owned trading company, and announced his intention to pursue other ventures, leaving the Company in July 2003. Mondas would like to thank him for his contribution to the Company and wish him all the best for the future.

Dividend

The Directors are not recommending the payment of a dividend in respect of the financial year under review (2002: nil).

Future Prospects

The strategy within the Education Sector has been to extend the range of products offered to both new and existing customers. The new Resource LMS product is already generating significant interest. A consortium of Sixth Form Colleges have been evaluating the product recently and a number of non-legally-binding Letters of Intent have been received which, if all the consortium convert to firm contracts, will represent an aggregate value of approaching £700,000 over five years.

A recent report from US research company, Celent Communications, claims that "spending on Corporate Actions projects is projected to total almost US$830 million between 2003-2007 as the securities and investment industry looks to automate one of the last remaining manual areas within the securities processing chain". We believe that Mondas is in an enviable position in one of the few markets where global institutions are still spending. Today, the Company is in exclusive contractual negotiations with one of the world's largest banks with retail and wholesale operations, which wishes to automate its CA processing with Radica CAPS.

Your Board believes that the opportunities facing the Company today will enable Mondas to expand both organically and through acquisition. In the Banking and Securities Sector, following approaches from US organisations, members of the management team visited sales prospects, clients and alliance partners to discuss US openings. The Company is actively seeking acquisition opportunities to help both Business Units extend their reach.

Having earned an operating profit in the second half of the period under review, the Directors expect this trend to continue into the current year. I am hopeful that we will be able to announce much improved results when I report to you next year.

The Board would like to thank all at Mondas for creating, through their hard work and commitment, the opportunity that we have now.

D T A Simon
Chairman

14 July 2003

Directors' Report

for the year ended 30 April 2003

The Directors present their report and the Group's financial statements for the year ended 30 April 2003.

Principal activities and business review

The principal activity of the Group during the year was that of the development and sale of computer software and the provision of computer services primarily to the financial and education sectors.

The Group's results for the year and financial position at the balance sheet date are shown in the attached financial statements.

A review of the year is included in the Chairman's statement.

Dividends

The Directors have not recommended a dividend (2002: £nil).

Transfers to reserves

The loss for the year amounting to £2,062,149 (2002: £2,031,610) will be taken to the profit and loss account and carried forward to next year.

Impact of the Euro

The Directors do not believe that the Euro will have any material impact on the daily operations of the Company, however they believe it could present a market opportunity should it lead to large scale changes in IT systems.

Directors

The Directors who served in office during the year and their interests in the Company's shares were as follows:

Ordinary shares held at:	30 April 2003		30 April 2002	
	Number	%	Number	%
B W Fairman	489,855*	2.3	200,000	1.0
C L Peters	1,219,757	5.8	1,070,821	5.3
I R Selby	42,553	0.2	–	–
D T A Simon	4,748,081	22.5	4,663,719	23.2

Mr Simon's interests include a non-beneficial interest in 122,750 ordinary shares (2002: 122,750).

*Mr Fairman is a partner of VCF Partners Limited who advise the Foresight Technology Trust which holds the above shares. Foresight Technology Trust holds £900,000 of the 8% Convertible Unsecured Loan Stock.

Mr Simon and Mr Selby hold share options, and details of the options are shown in note 23.

Directors' Report

continued

Directors Biographies

Tim Simon, Chairman & Chief Executive (aged 56). Mr. Simon, the founder of the business of Mondas, spent five years with IBM as a systems engineer providing support to the sales activity and designing, building and implementing systems. This was followed by two years in stockbroking as a partner's assistant. In 1974 he founded Consultants (Computer & Financial) Limited which designed and constructed FISCAL, a stockbroking computer system. Consultants (Computer & Financial) PLC was floated on the Unlisted Securities Market in 1981, and transferred to the Official List in 1988, at which time the company changed its name to Quotient PLC. Quotient PLC was acquired by ACT Group PLC in June 1991 for a total consideration of £27.2 million.

Ian Selby, Chief Financial Officer (aged 36). Mr. Selby graduated with BSc (Hons) in Physics from Birmingham University. He qualified as a Chartered Accountant with Coopers & Lybrand in 1992. Since that time, he has gained extensive experience within international software organisations beginning with development tools vendor, Micro Focus plc (now Merant plc). In 1994 he became Financial Controller at Powersoft UK, later acquired by Sybase Inc, and in 1996 he joined Landmark Graphics, leading suppliers of software solutions to the oil and gas exploration industry (now part of Halliburton Inc) as Finance Manager for Europe, the Middle East and Africa. He joined Mondas in December 1998.

Mr Colin Peters, Non-executive Director (aged 58). Mr Peters qualified as a Chartered Accountant and developed his career with Coopers & Lybrand, leading to a speciality in computer audit technology and computer consultancy. In 1987 he established Medical Computer Services Ltd ('MCS'). By 1992, MCS's software was installed in most of the UK's private hospitals. The ACT Group purchased MCS in May 1992 and merged it with their own healthcare operation in 1993. In 1994 he established a venture capital company, Hambridge Associates Ltd, with the aim of helping companies within the information technology sector.

Mr Bernard Fairman, Non-executive Director (aged 53). Mr Fairman represents Foresight Technology VCT plc which invested £1million in Mondas in October 2000. He trained as an economist and in 1970 joined Panmure Gordon as an oil investment analyst. In 1973 he moved on to Edward Bates, a specialist investment bank. On leaving in 1976, he gained investment experience at various small oil/electronic companies. He joined 3i Ventures in 1981 and co-founded VCF partners in 1984, advisers to Foresight Technology VCT plc and TriVest VCT plc. He holds directorships in various quoted and private companies including Yoomedia plc, Oxonica Ltd and Sapphire Ltd.

Significant Shareholdings

The directors have been informed that as at 23rd June 2002, other than the directors' shareholdings disclosed in this report, there are no other substantial shareholdings.

Group Policy on Payment of Creditors

It is the Group's policy to agree to the terms of payment with suppliers when entering into each transaction, and to abide by them. The creditor payment period at 30 April 2003 was 37 days (2002: 29 days).

Research and Development

The development of computer software is an integral part of the Group's business and the Group continues to develop in response to user demand and changes in software technology.

Directors' Report

continued

Statement of Directors' Responsibilities for the Annual Report

Company law in the United Kingdom 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 these financial statements, the Directors have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared 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.

The Directors are responsible for ensuring that the Directors' report and other information included in the Annual Report is prepared in accordance with company law in the United Kingdom. They are also responsible for ensuring that the Annual Report includes information required by the AIM Rules.

The Annual Report is available on the Company's web site. The maintenance and integrity of Mondas PLC's web site is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the information contained in the financial statements since they were initially presented on the web site.

Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

Auditors

On 3 May 2003, RSM Robson Rhodes, the Group's auditors, transferred their business to RSM Robson Rhodes LLP. The directors have consented to treating the appointment of RSM Robson Rhodes as extending to RSM Robson Rhodes LLP and a resolution to reappoint RSM Robson Rhodes LLP as auditors to the Group will be proposed at the forthcoming Annual General Meeting.

Signed by order of the Board

Mrs S A Johnson
Company Secretary

Approved by the Directors on 14 July 2003.

Corporate Governance

The Listing Rules of the Financial Services Authority require listed companies to disclose how they have applied the principles set out in section 1 of the Combined Code prepared by the Committee on Corporate Governance and whether they have complied with its provisions throughout the period. As an AIM listed company, Mondas PLC is not required to comply with the Combined Code. However, the Directors strive, as much as possible, to comply with the Code.

Directors

The Board currently comprises, the Chairman and Chief Executive, one executive Director and two non-executive Directors. The non-executive Directors therefore comprise more than one third of the Board. The Directors have considered splitting the roles of Chairman and Chief executive, but due to the size of the company, the Directors do not believe that this would be beneficial. The Directors will however review the position on a regular basis.

The composition of the Board is reviewed regularly. Appropriate training, briefings, and induction are available to all Directors on appointment and subsequently as necessary, taking into account existing qualifications and experience.

Executive Directors normal retirement age is 60 and Non-executive Directors normal retirement age is 65. One third of the Directors are subject to annual reappointment by shareholders.

The Board has not identified any independent Non-executive directors. In this respect, the company does not fulfil provision A.3.2 of the Combined Code.

The Board meets on average at least once a month and additional meetings are held each year to review and approve the Group's strategy and financial plans for the coming year. Each Director is provided with sufficient information to enable them to consider matters in good time for meetings and enable them to discharge their duties properly. There is a formal schedule of matters reserved for the Board's decision.

All Directors have access to the advice and services of the Company Secretary, who is also responsible for ensuring that Board procedures are followed. There is also a procedure in place for any Director to take independent professional advice if necessary, at the Company's expense.

Board Committees

The Company has established a number of committees, details of which are set out below.

Audit Committee

The audit committee members comprise the non-executive Directors of the Company. It meets twice a year. The Chief Financial Officer and the Company's external auditors attend the meetings. The audit committee considers the adequacy and effectiveness of the risk management and control systems of the Group. It reviews the scope and results of the external audit, its cost effectiveness and the objectivity of the auditors. It also reviews, prior to publication, the interims, preliminary announcement, the annual financial statements and the other information included in the full annual report. As there are only two non executive Directors the Company does not fulfil provision D3.1 of the Combined Code.

Corporate Governance

continued

Remuneration Committee

The remuneration Committee consists of the non-executive Directors. It meets at least twice a year and reviews and advises upon the remuneration and benefits packages of the executive Directors. The remuneration of the non-executive Directors is decided upon by the full Board.

Nominations Committee

Due to the size of the Board, the Directors do not consider any need for a nominations committee. Issues that would normally be dealt with by a nominations committee are handled by the full Board. The Board will review the need for a nominations committee on a regular basis.

Internal Controls

The Directors are responsible for the Group's system of internal control and for reviewing its effectiveness whilst the role of management is to implement Board policies on risk management and control. It should be recognised that the Group's system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve the Group's business objectives and can only provide reasonable, and not absolute, assurance against material misstatement or loss.

There is an ongoing process for identifying, evaluating and managing, the significant risks faced by the Group, which has been in place for the whole year and up to the date of approval of this annual report. This process is regularly reviewed by the Directors and accords with the internal control guidance prepared for Directors by the Turnbull Committee.

The Group operates a risk management process which is embedded in normal management and governance processes. As part of the annual strategic planning and budgeting process, each subsidiary and business unit documents the significant risks identified, the probability of those risks occurring, their potential impact and the plans for managing and mitigating each of those risks. Each subsidiary and business unit carries out a risk review including the role of insurance in risk management. These plans and registers are then reviewed by the Board as part of the strategic planning process. The plans are discussed, updated and reviewed during the course of the year, or when any control issues are identified, including matters arising from the external audit.

The Group operates a series of controls to meet its needs. These controls include, but are not limited to, the annual strategic planning and budgeting process, a clearly defined organisational structure with authorisation limits, reviews by senior management of monthly financial and operating information including comparisons with budgets, monthly treasury reports to the main Board with rules preventing speculation in derivatives. Each subsidiary is responsible for obtaining adequate assurance on the management of risk and is required annually to complete a control self-assessment process.

The Audit Committee receives reports from management and external audit concerning the system of internal control and any material control weaknesses. Significant risk issues are referred to the Board for consideration.

The Board makes an annual assessment of the effectiveness of the Group's internal control system, including financial, operational and compliance controls, before making this statement. In order to conduct this review, the Board obtains assurance directly from the Directors and appropriate senior management of each subsidiary concerning compliance with the Group's risk management and control policies and procedures. The Board also considers issues included in reports received during the year, how the risks have changed during the year and reviews reports on internal controls from management and any issues identified by external auditors. The Directors have conducted an annual review of the effectiveness of the Company's system of internal controls and risk management.

The Board does not believe it is currently appropriate to establish a separate, independent internal audit function given the size of the Group.

Corporate Governance

continued

Remuneration Report

The Remuneration Committee's principal function is to set remuneration of the Group's executive Directors to ensure they are fairly compensated for their contribution to the Company's performance.

Basic salaries are set to ensure high quality executive Directors are attracted and retained by the Company. They reflect the knowledge, skill and experience of each individual Director. Bonuses are non-pensionable and only payable if the Director's achievements are assessed as worthy of the award by the Remuneration Committee.

All of the executive Directors have rolling service contracts. The Chairman and Chief Executive has a one year notice period. The other executive Director has a six-month notice period. Pension provision is made at a rate of 15% of basic salary for Executive Directors. This is either paid into a personal pension or by way of salary.

The Remuneration Committee is also responsible for ensuring the Group's option schemes are operated properly. Details of Directors' share options in the year ending 30 April 2003 are disclosed in note 24.

Going Concern

After making enquiries the Directors have a reasonable expectation that the Group as a whole has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in the accounts.

Compliance with the Combined Code

The Directors consider that, other than as disclosed above, the company has complied with the provisions of section 1 of the Combined Code throughout the accounting period.

Independent Auditors' Report

to the shareholders of Mondas PLC

We have audited the financial statements on pages 13 to 29.

This report is made solely to the company's shareholders, 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 shareholders those matters we are required to state to them in an auditor's 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Director's Responsibilities.

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 or the AIM Rules regarding Directors' remuneration and transactions with the Company and other members of the Group is not disclosed.

We review whether the Corporate Governance Statement reflects the Company's compliance with the seven provisions of the Combined Code that would be specified for our review by the Listing Rules had the Company been fully listed and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls or form an opinion on the effectiveness of the Group's corporate governance procedures or its risk and control procedures.

We read the information contained in the Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any information outside the Annual Report

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 judgments 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 affairs of the company and the group as at 30 April 2003 and of the group's loss for the year then ended; and
- the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985.

RSM Robson Rhodes LLP
Chartered Accountants and Registered Auditors RSM Robson Rhodes LLP
London, England

14 July 2003

Consolidated Profit and Loss Account

for the year ended 30 April 2003

	Note	2003 £	2002 £
Turnover	2	3,713,353	3,741,673
Cost of sales		(170,628)	(226,194)
Gross Profit		3,542,725	3,515,479
Administrative expenses excluding restructuring charge		(5,501,682)	(5,083,947)
Restructuring Charge		(154,149)	(180,000)
Analysis of Group operating losses			
Operating loss before goodwill amortisation and depreciation		(679,973)	(416,667)
Amortisation of goodwill		(1,391,392)	(1,304,119)
Depreciation of tangible fixed assets		(41,741)	(27,682)
Operating loss	3	(2,113,106)	(1,748,468)
Net interest	6	(246,364)	(217,113)
Other operating income		134,825	(212,277)
Loss on ordinary activities before taxation		(2,224,645)	(2,177,858)
Tax on loss on ordinary activities	7	162,496	146,248
Loss for the financial year		(2,062,149)	(2,031,610)
Basic loss per share	9	(10.1p)	(10.1p)

Profit and Loss Account

	2003 £	2002 £
At 1 May 2002	(5,818,817)	(3,787,207)
Loss for the financial year	(2,062,149)	(2,031,610)
At 30 April 2003	(7,880,966)	(5,818,817)

All of the above operations are continuing.

Total recognised gains and losses

The Group had no recognised gains and losses other than the loss for the above financial years.

The notes on pages 17 to 29 form part of these financial statements.

Consolidated Balance Sheet

as at 30 April 2003

	Note	2003 £	2003 £	2002 £	2002 £
Fixed assets					
Intangible assets	10		2,363,483		3,754,874
Tangible assets	11		193,845		78,151
			2,557,328		3,833,025
Current assets					
Stocks		–		236	
Debtors	13	749,272		849,739	
Cash at bank and in hand		977,943		1,420,752	
		1,727,215		2,270,727	
Creditors: Amounts falling due within one year	14	(1,769,407)		(1,763,305)	
Net current (liabilities)/assets			(42,192)		507,422
Total assets less current liabilities			2,515,136		4,340,447
Creditors: Amounts due falling after more than 1 year					
Convertible 8% Unsecured Loan Stock 2005	15		(2,936,485)		(2,908,685)
Net (liabilities)/assets			(421,349)		1,431,762
Capital and Reserves					
Called up share capital	18		2,109,976		2,009,501
Share Premium account	19		5,349,641		5,241,078
Profit and loss account			(7,880,966)		(5,818,817)
Equity shareholders' (deficit)/funds	20		(421,349)		1,431,762

These financial statements were approved by the Board of Directors on 14 July 2003 and signed on their behalf

I R Selby
Director

The notes on pages 17 to 29 form part of these financial statements.

Balance Sheet

as at 30 April 2003

	Note	2003 £	2003 £	2002 £	2002 £
Fixed assets					
Investments	12		812,443		812,443
Current assets					
Debtors (due after more than one year)	13	7,589,972		6,515,391	
Cash at bank and in hand		293,788		1,106,706	
		7,883,760		7,622,097	
Creditors: Amounts falling due within 1 year	14	(81,330)		(81,330)	
Net current assets			7,802,430		7,540,767
Total assets less current liabilities			8,614,873		8,353,210
Creditors: Amounts falling due in more than 1 year					
Convertible 8% Unsecured Loan Stock 2005	15		(2,936,485)		(2,908,685)
Net assets			5,678,388		5,444,525
Capital and Reserves					
Called up share capital	18		2,109,976		2,009,501
Share Premium account	19		5,349,641		5,241,078
Profit and loss account			(1,781,229)		(1,806,054)
Equity shareholders' funds	20		5,678,388		5,444,525

These financial statements were approved by the Board of Directors on 14 July 2003 and signed on their behalf

I R Selby
Director

The notes on pages 17 to 29 form part of these financial statements.

Consolidated Cash Flow Statement

for the year ended 30 April 2003

		2003	2002
		£	£
Net cash outflow from operating activities	1	(438,343)	(285,581)
Returns on investments and servicing of finance	2	(218,564)	(205,422)
Taxation		162,496	–
Capital expenditure	2	(157,434)	(40,366)
Cash outflow before use of liquid resources and financing		(651,845)	(531,369)
Management of liquid resources	2	556,212	115,753
Financing			
Issue of ordinary capital including premium net of costs	2	209,036	1,034
Cash inflow from financing		209,036	1,034
Increase/(decrease) in cash	3	113,403	(414,582)

Notes to the Consolidated Cash Flow Statement

for the year ended 30 April 2003

1. Reconciliation of operating loss to net cash outflow from operating activities

	2003 £	2002 £
Operating loss	(2,113,106)	(1,748,468)
Depreciation	41,741	27,682
Profit on sale of fixed assets	–	(4,047)
Amortisation	1,170,433	1,304,119
Imparment of goodwill	220,959	–
Other income	134,825	–
Decrease in stocks	236	181
(Decrease) in debtors	100,467	(18,736)
Increase in creditors	6,102	153,688
Net cash outflow from operating activities	(438,343)	(285,581)

2. Gross cash flows

	2003 £	2002 £
Returns on investments and servicing of finance		
CULS interest	(240,000)	(253,793)
Bank interest receivable	22,681	48,371
Bank Interest payable	(1,245)	–
	(218,564)	(205,422)
Capital expenditure		
Payments to acquire tangible fixed assets	(157,434)	(56,366)
Receipts from sale of fixed assets	–	16,000
	(157,434)	(40,366)
Management of Liquid Resources		
Cash on 30 day deposit	556,212	115,753
Financing		
Issue of ordinary share capital including premium	236,116	1,034
Expenses paid in connection with share issue	(27,080)	–
	209,036	1,034

Notes to the Consolidated Cash Flow Statement

continued

3. Analysis of movement in cash at bank and in hand

	2003	2002
	£	£
At 1 May 2002	570,752	985,334
Cash flows	113,403	(414,582)
At 30 April 2003	684,155	570,752
Cash at bank and in hand	684,155	570,752
Cash on 30 day deposit	293,788	850,000
	977,943	1,420,752

4. Analysis of net debt

	At 1 May 2002	Amortisation of loan stock costs	Cash flow	At 30 April 2003
	£	£	£	£
Cash at bank and in hand	570,752	–	113,403	684,155
Cash on 30 day deposit	850,000	–	(556,212)	293,788
CULS	(2,908,685)	(27,800)	–	(2,936,485)
	(1,487,933)	(27,800)	(442,809)	(1,958,542)

5. Reconciliation of net cash flow to movement in net debt

	2003	2002
	£	£
Change in cash	113,403	(414,582)
Cash flow from (decrease) in liquid resources	(556,212)	(115,753)
Change in net debt from cash flows	(442,809)	(530,335)
Amortisation of CULS	(27,800)	(25,484)
Opening net debt	(1,487,933)	(932,114)
Closing net debt	(1,958,542)	(1,487,933)

Notes to the Financial Statements

for the year ended 30 April 2003

1. Accounting policies

These financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards, using the following accounting policies. The accounts have been prepared on a going concern basis as the Directors believe that current sales prospects combined with existing working capital resources will ensure that Mondas has adequate working capital to service its existing business for the forseeable future.

Consolidation

The Group financial statements consolidate the financial statements of the parent Company and its principal subsidiary undertakings for the year ended 30 April 2003.

Turnover

Mondas has adopted SOP97-2 "Software Revenue Recognition" issued by the American Institute of Certified Public Accountants. Key aspects are as follows:

1. Software Products
   Turnover from the sale of software results from mainly perpetual licences, which provide customers with the right to use these products. Such turnover is recognised on the following basis:

   i. If an arrangement to deliver software or a software system, either alone or together with other products or services, requires significant production, modification, or customisation, the revenue for both services and software is recognised under the percentage of completion method.

   ii. If services are essential to the functionality of the software and the payment terms are linked, the revenue for both software and services is recognised when the following conditions are met:

      - A signed contract exists;
      - Delivery has occurred;
      - The sales price is fixed and determinable;
      - Collection of the debt is probable;
      - No significant obligations remain.

   If services are incidental to the functionality and/or the payment terms are linked to simple installations, revenue from the grant of perpetual or fixed term licences to use Mondas's software is recognised when the above conditions are met and services revenue is recognised separately as the services are provided.

   Software rentals or licences invoiced on a periodic basis are recognised over the term of the agreement.

2. Consulting and Professional Services
   Turnover from the provision of consultancy and professional services is recognised as the work is performed.

3. Support Income is recognised over the life of the agreement.

Cost of Sales

Cost of sales represents amounts due to external third parties for services and goods directly related to revenue. Examples of such costs would include, but not be limited to, external consultants and third party hardware and software.

Goodwill

Positive goodwill is the excess of the cost of an acquired entity over the aggregate of the fair values of that entity's identifiable assets and liabilities. Positive goodwill is capitalised on the balance sheet and is amortised evenly over its estimated useful economic life of 5 years. The board believes that 5 years represents a prudent estimate of the life of goodwill acquired in a fast moving high technology environment. In addition to systematic amortisation, the book value is written down to recoverable amount when any impairment is identified.

Notes to the Financial Statements

continued

1. Accounting policies continued

Depreciation

Depreciation is calculated so as to write off the cost or value of an asset, net of anticipated disposal proceeds, over the useful life of that asset as follows:

Computer software	2 to 6 years straight line
Leasehold improvements	5 years straight line
Computer hardware	3 to 6 years straight line
Fixtures and fittings	5 to 6 years straight line
Office equipment	5 to 6 years straight line

Where there is evidence of impairment, fixed assets are written down to recoverable amount. Any such write down would be charged to operating profit.

Operating lease agreements

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the period of the leases.

Pension scheme

The Group now operates a Group Personal Pension Plan. The Defined Contribution Pension Scheme was closed during the year with employees transferring into the Group Personal Pension Plan. Contributions are charged to the profit and loss account when payable.

Development expenditure

Development expenditure is written off in the year in which it is incurred.

Foreign currencies

Assets and liabilities denominated in foreign currency are translated into sterling at the rates of exchange ruling at 30 April. Exchange differences arising from the treatment of the net investments in overseas subsidiaries and related foreign currency loans are taken directly to reserves. The trading results of foreign subsidiaries are translated into sterling using the average exchange rate for the year, and the difference in relation to closing rates is taken to reserves. All other currency differences are taken to the profit and loss account.

Deferred taxation

Deferred tax is provided, except as noted below, on timing differences that have arisen but not reversed by the balance sheet date, where the timing differences result in an obligation to pay more tax, or a right to pay less tax, in the future. Timing differences arise because of differences between the treatment of certain items for accounting and taxation purposes.

In accordance with FRS 19 deferred tax is not provided on timing differences arising from:

(a) revaluation gains on land and buildings, unless there is a binding agreement to sell them at the balance sheet date;

(b) gains on the sale of non-monetary assets, where on the basis of all available evidence it is more likely than not that the taxable gain will be rolled over into replacement assets;

(c) extra tax payable on the unremitted earnings of the overseas subsidiaries and associates where there is no commitment to remit these earnings; and

(d) fair value adjustment gains to fixed assets and stock to uplift prices to those ruling when an acquisition is made.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Deferred tax is measured at the tax rates that are expected to apply in the periods when the timing differences are expected to reverse, based on tax rates and law enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

Where law or accounting standards require gains and losses to be recognised in the statement of total recognised gains and losses, the related taxation is also taken directly to the statement of total recognised gains and losses in due course.

Notes to the Financial Statements

continued

2. Turnover

The turnover and loss before tax are attributable to the one principal activity of the Group and arise within the United Kingdom.

3. Operating loss

Operating loss is stated after charging:	2003 £	2002 £
Operating lease rentals in respect of buildings	87,198	117,748
Operating lease rentals in respect of equipment	57,191	53,164
Directors' remuneration	242,760	284,426
Research and Development Expenditure	615,617	363,950
Restructuring Charge	154,149	180,000
Contributions to Director's pension fund	16,500	16,500
Amortisation of goodwill	1,170,433	1,304,119
Impairment of goodwill against Reality Communications Scandinavia AS	220,959	–
Depreciation	41,741	27,682
Auditors' fees:		
Audit	19,425	20,500
Other fees	15,460	7,000

Other Income	2003		2002	
	The Group £	The Company £	The Group £	The Company £
Amounts Written off Investments	–	–	(212,277)	(212,277)
Proceeds of placing of warranty claim shares	134,825	134,825	–	–
	134,825	134,825	(212,277)	(212,277)

In December 2002 the Company placed 573,722 existing shares that had been recovered from the vendors of Reality Communications Scandinavia AS at 23.5p per share raising a total of £134,825. These were previously held by Mr D Bolton and Ms F Walkinshaw, both of whom were partners in the Company's previous lawyers Garretts. The Directors had previously intended to cancel these shares and had fully provided for these at 30 April 2002.

Notes to the Financial Statements

continued

4. Particulars of employees

Average numbers of employees by functional area were:

	2003	2002
Sales and marketing	19	13
Consulting and professional services	14	18
Technical and support	16	15
Administration	6	6
	55	52

Employment costs

The aggregate costs of the Group's employees including Directors were:

	2003 £	2002 £
Wages and salaries	2,750,336	2,319,330
Social security costs	268,994	261,642
Other pension costs	80,691	100,592
	3,100,021	2,681,564

5. Directors' emoluments

The emoluments of the Chairman and executive Directors, and fees payable for the services of the non-executive Directors are as follows:

Executive	Salary, bonus & fees £	Benefits £	Pension £	2003 £	2002 £
D T A Simon	119,000	1,956	16,500	137,456	152,312
I R Selby	93,667	1,137	–	94,804	105,114
Non-executive					
C Peters	12,000	–	–	12,000	12,000
B Fairman	15,000	–	–	15,000	15,000
	239,667	3,093	16,500	259,260	284,426

Mr Selby and Mr Simon were awarded bonuses of £nil (2002: £15,000) and £nil (2002: £15,000) respectively during the year.

Contributions of £16,500 were made to Mr Simon's pension fund in 2003. These are included in the total figure for 2003 for Mr Simon.

6. Net interest

	2003 £	2002 £
Bank interest receivable	22,681	48,371
Bank interest payable	(1,245)	–
Amortisation of Convertible loan stock costs	(27,800)	(25,484)
Interest payable on other loans	(240,000)	(240,000)
	(246,364)	(217,113)

Notes to the Financial Statements

continued

7. Tax on loss on ordinary activities

	2003 £	2002 £
UK Corporation Tax		
Adjustments in respect of Prior Years	(162,496)	(146,248)
Tax on loss on ordinary activities	(162,496)	(146,248)

	2003 £	2002 £
Current tax reconciliation		
Loss on ordinary activities before taxation	(2,245,645)	(2,177,858)
Theoretical tax at UK Corporation tax rate 30% (2002: 30%)	(667,394)	(653,357)
Effect of:		
– adjustments in respect of prior years	(162,496)	(146,248)
– consolidation adjustment	420,669	391,236
– other expenditure that is not tax deductible	(22,941)	69,722
– capital allowances in excess of depreciation	(12,668)	(21,443)
– other timing differences	5,747	–
– losses not utilised	276,587	213,842
Actual current taxation charge	(162,496)	(146,248)

Unrecognised deferred tax asset

There are utilisable tax losses carried forward of £3.2m (2002: £2.8m) and depreciation in excess of capital allowances of £206,000 (2002: £161,000). A deferred tax asset has not been recognised as the Group has not yet a record of consistent profitability. In time it is anticipated that these losses will be gradually recovered.

The estimated value of the deferred tax asset not recognised at a standard rate of 30% is £960,000 (2002: £880,000).

8. Loss for the financial year

The Company has taken advantage of section 230 of the Companies Act 1985, and has not included a profit and loss account in these financial statements. Profit attributable to the members of the parent Company amounted to £24,825 (Loss 2002: £1,411,475).

9. Loss per share

Basic loss per share is based on a weighted average number of shares outstanding of 20,348,810 (2002: 20,086,398) and loss after taxation of £2,062,149 (2002: 2,031,610). The CULS and share options were non-dilutive for both years.

Notes to the Financial Statements

continued

10. Intangible fixed assets

The Group	Goodwill £
Cost	
At 1 May 2002 and 30 April 2003	7,017,304
Amortisation	
At 1 May 2002	3,262,429
Amounts provided in the year	
- amortisation	1,170,433
– impairment of goodwill against Reality Communications Scandinavia AS	220,959
At 30 April 2003	4,653,821
Net Book Value	
At 30 April 2003	2,363,483
At 30 April 2002	3,754,874

11. Tangible fixed assets

The Group	Computer equipment £	Fixtures & fittings £	Office equipment £	Leasehold improvements £	Total £
Cost					
At 1 May 2002	270,278	44,125	54,085	16,500	384,988
Additions	97,535	10,535	6,904	42,461	157,435
Disposals	(131,395)	(45,805)	(14,108)	(9,610)	(200,918)
At 30 April 2003	236,418	8,855	46,881	49,351	341,505
Depreciation					
At 1 May 2002	(222,083)	(32,192)	(36,062)	(16,500)	(306,837)
Charge for the year	(23,615)	(1,478)	(5,703)	(10,945)	(41,741)
Disposals	132,078	32,192	17,192	19,456	200,918
At 30 April 2003	(113,620)	(1,478)	(24,573)	(7,989)	(147,660)
Net Book Value					
At 30 April 2003	122,798	7,377	22,308	41,362	193,845
At 30 April 2002	48,195	11,933	18,023	–	78,151

The Company has no tangible fixed assets.

Notes to the Financial Statements

continued

12. Fixed asset investment

The Company

	Investment in subsidiary undertakings £
Cost	
At 1 May 2002 and 30 April 2003	812,443
Provisions	
Amounts provided in the year	–
At 30 April 2003	812,443
Net Book Value	
At 30 April 2003	812,443
At 30 April 2002	812,443

The investments in subsidiary undertakings represent the acquisition of 100% of the issued share capital of Mondas Information Technology Limited, a company registered in England and Wales, whose principal activities are that of computer consultancy and the development of computer software, and the acquisition of 100% of the issued share capital of Reality Communications Scandinavia AS, whose principal activities were the development and marketing of internet, intranet and extranet software solutions.

Reality Communications Scandinavia AS is now dormant and accordingly the company's investment in this subsidiary has been written down to book value. Reality Communications Scandinavia AS was incorporated in Norway with a share capital of Nkr 69,700.

The Group has used acquisition accounting to account for all the acquisitions.

13. Debtors

	2003		2002	
	The Group £	The Company £	The Group £	The Company £
Trade debtors	570,530	–	564,374	–
Amounts due by Group undertakings	–	7,589,972	–	6,515,391
Other debtors	26,789	–	174,387	–
Prepayments and accrued income	151,953	–	110,978	–
	749,272	7,589,972	849,739	6,515,391

Amounts due from Group undertakings of £7,589,972 (2002: £6,515,391) are recoverable after more than one year from the balance sheet date.

Included in other debtors is £nil (2002: £24,760), which is due in more than one year.

14. Creditors: Amounts falling due within one year

	2003		2002	
	The Group £	The Company £	The Group £	The Company £
Trade creditors	270,922	–	206,750	–
Other taxation and social security	270,536	–	309,589	–
Other creditors	2,221	–	2,245	–
Accruals	369,362	81,330	448,183	81,330
Deferred income	856,366	–	796,538	–
	1,769,407	81,330	1,763,305	81,330

Notes to the Financial Statements

continued

15. Creditors: Amounts falling due in more than one year

	2003		2002	
	The Group £	The Company £	The Group £	The Company £
Convertible loan stock	2,936,485	2,936,485	2,908,685	2,908,685

The loan stock, which has a par value of £3,000,000 and bears interest at an annual rate of 8 per cent, payable in equal proportions on 30 June and 31 December in each year, is redeemable, if not converted, on 31 October 2005 and is convertible into fully paid Ordinary Shares on the basis of 2 Ordinary Shares for every £1 nominal of convertible loan stock. If the mean average of the closing bid price of an Ordinary Share as shown in the Daily Official List of the London Stock Exchange for a period of at least 30 consecutive days is 200p or more, the Company is entitled to require a holder of CULS to convert all or part of his holding of CULS into fully paid Ordinary Shares on the basis set out above. The cost of raising the CULS was £139,000, which is amortised over the period to redemption.

16. Financial assets and liabilities

Derivatives and other financial instruments

The Group's financial instruments comprise borrowings, some cash and various items such as trade debtors and creditors that arise directly from its operations. The main purpose of these instruments is to raise finance for operations. The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk and foreign currency risk. The Group does not enter into derivative transactions.

Operations are financed through a mixture of equity capital and borrowings. The Board uses both fixed interest and variable rate borrowings to meet the financial needs of the Group.

Financial assets excluding debtors within one year

Other than debtors within one year which have been excluded from this disclosure the only asset material enough to require disclosure is cash at bank and in hand of £977,943 (2002: £1,420,752) of which £293,788 (2002: £850,000) is held on 30 day deposit).

Financial liabilities: excluding non-debt current liabilities

	£'000's	Floating rate	Fixed rate	Total
The interest rate profile at 30 April 2003 was:	Sterling	–	2,936	2,936

	£'000's	Floating rate	Fixed rate	Total
The interest rate profile at 30 April 2002 was:	Sterling	–	2,909	2,909

The floating rate borrowings are Base Rate Linked. The fixed rate borrowings have an interest rate of 8% and it is fixed until 31 October 2005.

Fair values of financial assets and liabilities

£'000's	2003 Book Value	2003 Fair Value	2002 Book Value	2002 Fair Value
Long term borrowings	2,936	2,700	2,909	2,850
Cash at bank and in hand	978	978	1,421	1,421

Notes to the Financial Statements

continued

17. Currency risk and exposure

The sterling balance sheet can be affected by movements in the Sterling/Norwegian Kroner exchange rate because of the investment in the net assets of the Norwegian Subsidiary. The Norwegian Subsidiary has sterling balances with Mondas Group and these are outlined below.

Exposure at 30 April 2003

Functional currency of Group operation	Net Foreign currency monetary assets/(liabilities) in £000's	
	Sterling	Total
Norwegian Kroner	402	402
Total	402	402

Exposure at 30 April 2002

Functional currency of Group operation	Net Foreign currency monetary assets/(liabilities) in £000's	
	Sterling	Total
Norwegian Kroner	402	402
Total	402	402

18. Share capital

	2003 £	2002 £
Authorised share capital:		
40,000,000 ordinary shares of £0.10 each	4,000,000	4,000,000
Allotted, called up and fully paid		
Equity share capital:		
Ordinary share capital brought forward		
20,090,010 ordinary shares of £0.10 each	2,009,501	2,006,056
Issue of ordinary shares	100,475	3,445
Ordinary share capital carried forward	2,109,976	2,009,501

During the year the company issued 1,004,750 £0.10 ordinary shares with an aggregate nominal value of £100,475, for a cash consideration of £236,116.

19. Share premium account

	2003 £	2002 £
Balance brought forward	5,241,078	5,243,479
Premium on new shares issued	135,641	-
Expenses of share issue	(27,078)	-
Employee share options	-	(2,411)
Balance carried forward	5,349,641	5,241,078

Notes to the Financial Statements

continued

20. Reconciliation of movements in shareholders' funds

	2003		2002	
	The Group £	The Company £	The Group £	The Company £
Loss for the financial year	(2,062,149)	24,825	(2,031,610)	(1,411,475)
Issue of ordinary shares at par	100,475	100,475	3,445	3,445
Premium on new shares issued (net of expenses and option scheme)	108,563	108,563	(2,411)	(2,411)
Net addition/(reduction) to shareholders' funds	(1,853,111)	233,863	(2,030,576)	(1,410,441)
Opening shareholders' funds	1,431,762	5,444,525	3,462,338	6,854,966
Closing shareholders' funds	(421,349)	5,678,388	1,431,762	5,444,525

21. Commitments under operating leases

The Group has commitments under non-cancellable operating leases to make payments totalling £195,777 (2002: £166,102) in the ensuing year as follows:

	2003 £	2002 £
Land and building agreements expiring:		
Within two to five years	87,206	26,279
After more than five years	60,000	92,000
	147,206	118,279
Office equipment agreements expiring:		
Within one year	16,733	5,382
Within two to five years	31,839	42,441
	48,571	47,823

22. Related parties and transactions

There were no transactions or contracts of significance with related parties.

23. Share options

The Company has a share option scheme and an Enterprise Management Initiative Scheme for its employees, which have been approved by the Inland Revenue. Options are granted on similar terms to substantially all of the employees, but at the discretion of the Board, and are exercisable after three years from grant of option.

Share options at 30 April 2003 were as follows:

Option Holders	Number	Date Granted	Exercise price	Expiry date
Enterprise Management Incentive Scheme				
D T A Simon	300,000	April 2001	32.5p	April 2011
	14,286	October 2001	17.5p	October 2011
I R Selby	200,000	April 2001	32.5p	April 2011
	25,500	December 2001	25.5p	December 2011
Other holders	429,500	April 2001	32.5p	April 2011
	84,000	October 2001	17.5p	October 2011
	238,500	December 2001	25.5p	December 2011
	55,000	January 2002	27.5p	January 2012
	160,000	January 2003	24.5p	January 2013
	152,000	April 2003	21.5p	April 2013

Notes to the Financial Statements

continued

23. Share options continued

Option Holders	Number	Date Granted	Exercise price	Expiry date
Approved Scheme				
I R Selby	61,500	January 1999	45.5p	January 2009
Other holders	7,000	January 1999	45.5p	January 2009
	15,000	August 1999	66.5p	August 2009
	5,000	December 1999	88.5p	December 2009
	20,000	August 2000	71.5p	August 2010
	232,500	December 2000	40.0p	December 2010
Unapproved Scheme				
I R Selby	13,500	January 1999	45.5p	January 2009
D T A Simon	10,714	October 2001	25.5p	October 2011
Other holders	90,000	August 1995	10.0p	August 2005

During the year the following share options lapsed:

- 25,000 share options with an exercise price of 88.5p
- 15,000 share options with an exercise price of 71.5p
- 24,000 share options with an exercise price of 66.5p
- 7,000 share options with an exercise price of 45.5p
- 14,500 share options with an exercise price of 40.0p
- 60,000 share options with an exercise price of 32.5p
- 100,000 share options with an exercise price of 27.5p
- 6,000 share options with an exercise price of 17.5p

61,950 options at a price of 10p were taken up during the year.

The market price for these shares at 30 April 2003 was 23.5p and the high and low for the year was 41.5p and 19p. There are no performance criteria to be met before share options are exercisable. There have been no changes in Directors' options held between the 30 April 2003 and the 24 June 2002.

(In the year ended 30 April 2002, 25,000 shares were granted to DTA Simon at an exercise price of 32.5p, and 25,500 shares were granted to IR Selby at an exercise price of 25.5p).

Directors' Share Options

	At Start of year	Granted during the year	At end of year	Exercise Price	1. Date from which partially exercisable 2. Expiry Date
DTA Simon	300,000	0	300,000	32.5p	1. 28 April 2002 2. 27 April 2011
DTA Simon	25,000	0	25,000	17.5p	1. 16 October 2002 2. 15 October 2011
I.R. Selby	200,000	0	200,000	32.5p	1. 28 April 2002 2. 27 April 2011
I.R. Selby	75,000	0	75,000	45.5p	1. 5 January 2002 2. 4 January 2009
I.R. Selby	25,500	0	25,500	25.5p	1. 15 December 2002 2. 14 December 2011

None of the Directors at the balance sheet date exercised options during the year.

Notice of Meeting

Notice is hereby given that the Annual General Meeting of Mondas PLC will be held at the offices of John East & Partners Limited, Crystal Gate, 28-30 Worship Street, London EC2A 2AH at 10.30am on 8 August 2003 for the following business:

Ordinary business

1. To receive and consider the report of the directors and the financial statements of the Company for the year ended 30th April 2003.
2. To re-elect Mr C L Peters as a director.
3. To re-elect Mr I R Selby as a director.
4. To re-appoint RSM Robson Rhodes LLP as auditors and to authorise the Directors to fix their remuneration.

Special business

5. To consider, and if thought fit, pass the following as an Ordinary Resolution:

   "The Directors be and they are hereby authorised to grant options pursuant to the Company's Enterprise Management Share Option Scheme to Eligible Employees (as defined in the said scheme) other than Eligible Employees who are directors of the Company on such terms and conditions as to vesting as the Board of the Company shall in its discretion decide are appropriate to the circumstances of the individual Eligible Employee in question provided such terms and conditions shall not be inconsistent with the requirements for the time being in force for Inland Revenue approval for such options."

6. To consider, and if thought fit, pass the following as a Special Resolution:

   "That the directors be generally and unconditionally authorised pursuant to and in accordance with Section 80 of the Companies Act 1985 to allot relevant securities (as defined within Section 80(2) of that Act) up to an aggregate nominal value of £703,325.

   The authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2004 or, if earlier, 15 months from the date of this resolution, unless such authority is renewed prior to such time. Under the authority hereby conferred the directors may during such period make agreements which would or might require relevant securities to be allotted after the expiry of such period."

7. To consider, and if thought fit, pass the following as a Special Resolution:

   "That the directors shall be authorised pursuant to Section 95(1) of the Companies Act 1985 to allot equity securities (as defined in Section 94(2) of that Act) wholly for cash pursuant to the authority conferred by Resolution 6 above, without regard to any existing pre-emption rights, as if Section 89(1) of that Act did not apply to any such allotment provided that such power shall be limited to:

   (a) the allotment of equity securities in connection with a rights issue in favour of the holders of ordinary shares on the register of members at such record date or dates as the directors may determine for the purpose of the issue where the equity securities respectively attributable to the interests of the ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them on any such record date or dates, subject only to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with fractional entitlements or legal or practical problems arising under the laws of any territory, or the requirements of any statutory or regulatory body or stock exchange in any territory; and

Notice of Meeting

continued

(b) the allotment (otherwise than pursuant to paragraph (a) above) of equity securities up to an aggregate nominal value of £210,998.

The authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2004 or, if earlier, 15 months from the date of this resolution, unless such authority is renewed prior to such time. Under the authority hereby conferred the directors may during such period make offers or agreements which would or might require equity securities to be allotted after the expiry of such period."

By order of the Board

Mrs S A Johnson
Company Secretary

Registered Office:
17-29 Sun Street
London
EC2M 2PT

14 July 2003

Notes:

1. Any member entitled to attend and vote at the Meeting may appoint one or more other persons as a proxy or proxies to attend and, in the event of a poll, to vote instead of him or her. A proxy need not be a member of the Company. Shareholders will receive a Proxy Form with this document.
2. Proxy Forms, if used, must reach Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not less than 48 hours before the time fixed for the Meeting and in default will not be treated as valid. Completion of a Proxy Form will not preclude shareholders from attending and voting at the Meeting should they wish to do so.
3. The Register of directors' interests in shares in, or debentures of, the Company and copies of the directors' service contracts of more than one year's duration will be available for inspection at the registered office of the Company during business hours only on any weekday (excluding Saturdays, Sundays and public holidays) from the date of this Notice until the date of the Annual General Meeting and at the place of the Meeting from 10.30am on 8 August 2003 until the conclusion of the Meeting.

Further explanatory Notes

Resolution 5 seeks shareholders' approval to the grant of certain options under the Company's Enterprise Management Share Option Scheme with terms and conditions as to vesting which are specifically tailored by the Board to the particular circumstances of the Eligible Employee in question. Options covered by this further authority would not necessarily have to comply with the vesting requirements currently applicable under the Scheme (automatic vesting after the lapse of specific time periods during the period of employment and in certain other limited circumstances). This further authority is limited to options to be granted to Eligible Employees other than individuals who are directors of the Company.

Resolution 6 asks shareholders to renew the directors' general authority to allot unissued shares, should it be desirable to do so. In accordance with corporate governance best practice recommendations, if approved, this authority is limited to a maximum of 7,033,253 shares, equivalent to one-third of the Company's issued share capital as at 30 April 2003. The directors have no present plans to issue shares using this authority, which will expire at the next Annual General Meeting or, if earlier, 15 months from the date of the resolution.

Resolution 7 renews an existing authority given to the directors each year to allot shares for cash to persons other than existing shareholders up to a maximum of 10% of the Company's issued share capital. This authority, which will expire at the next annual general meeting or, if earlier, 15 months from the date of the resolution, gives the directors flexibility to take advantage of business opportunities as they arise and the 10% limit ensures that existing shareholders' interests are protected.