

Registered number
2935835

Man Bytes Dog Ltd

Report and Accounts

30 June 1999



Man Bytes Dog Ltd

Directors' Report

The directors present their report and accounts for the year ended 30 June 1999.

Principal activities

The company's principal activity during the year continued to be the provision of consultancy services, and the sale of electronic equipment.

Directors

The directors who served during the year and their beneficial interests in the share capital of the company were as follows:

	A Shares		B Shares	
	£1 Ordinary shares 1999	1998	£1 Ordinary shares 1999	1998
J.C.Morris	50	50	51	51
G.J.Jankowski (resigned 1st September 1999)	50	50	40	40

Post Balance Sheet Events

On the 1st September 1999, the company was bought outright from the MBD Group by Mr J.C. Morris.

Political and charitable donations

During the year, the company made various charitable contributions totalling £280.

Directors' responsibilities

Company law requires the directors to prepare accounts 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 for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining 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 accounts 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.

Man Bytes Dog Ltd
Directors' Report

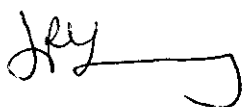
Auditors

A resolution to reappoint P.M.Cullen & Co as auditors will be put to the members at the Annual General Meeting.

Small company special provisions

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

This report was approved by the board on 26th April 2000.

A handwritten signature in black ink, appearing to read 'J. Young', with a long horizontal stroke extending to the right.

J.Young
Secretary

Man Bytes Dog Ltd
Auditors' Report

Report of the auditors
to the shareholders of Man Bytes Dog Ltd

We have audited the accounts on pages 4 to 9 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 1, the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

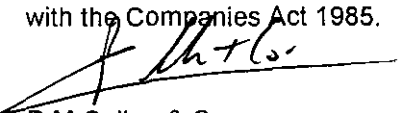
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Fundamental uncertainty

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the possible outcome of the claim by Mr. G.Jankowski of the reapportionment of expenses. The future outcome of this dispute could result in additional liabilities, which we are unable to quantify. These additional liabilities may make the company insolvent. Details of the circumstances relating to this fundamental uncertainty are described in note 11. Our opinion is not qualified in this respect.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 30th June 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


P.M.Cullen & Co
Chartered Accountants and Registered Auditors

26th April 2000

Suite 303
The Linen Hall
162-168 Regent Street
London W1R 5TB

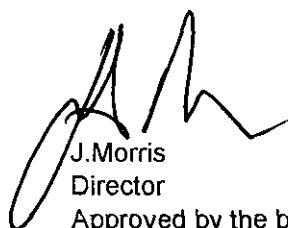
Man Bytes Dog Ltd
Profit and Loss Account
for the year ended 30 June 1999

	Notes	1999 £	1998 £
Turnover		341,360	226,977
Cost of sales		(261,494)	(141,937)
Gross profit		<u>79,866</u>	<u>85,040</u>
Administrative expenses		(85,884)	(71,462)
Operating (loss)/profit	2	<u>(6,018)</u>	<u>13,578</u>
Exceptional items:			
(loss)/profit on the disposal of tangible fixed assets		(3,792)	4,518
		<u>(9,810)</u>	<u>18,096</u>
Interest payable		(433)	(764)
(Loss)/profit on ordinary activities before taxation		(10,243)	17,332
Tax on (loss)/profit on ordinary activities	3	4,655	(5,762)
(Loss)/profit for the financial year		<u>(5,588)</u>	<u>11,570</u>
Retained (loss)/profit for the financial year	9	<u>(5,588)</u>	<u>11,570</u>

Man Bytes Dog Ltd
Balance Sheet
as at 30 June 1999

	Notes	1999 £	1998 £
Fixed assets			
Tangible assets	4	17,122	31,709
Current assets			
Debtors	5	62,982	27,951
Cash at bank and in hand		1,656	6,063
		64,638	34,014
Creditors: amounts falling due within one year	6	(71,599)	(53,115)
Net current liabilities		(6,961)	(19,101)
Total assets less current liabilities		10,161	12,608
Creditors: amounts falling due after more than one year	7	(3,140)	-
Net assets		<u>7,021</u>	<u>12,608</u>
Capital and reserves			
Called up share capital	8	191	191
Profit and loss account	9	6,830	12,418
Shareholders' funds		<u>7,021</u>	<u>12,609</u>

The accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985.



J. Morris
 Director

Approved by the board on 26th April 2000

Man Bytes Dog Ltd
Notes to the Accounts
for the year ended 30 June 1999

1 Accounting policies

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Turnover

Turnover represents the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

Depreciation

Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives.

Plant and machinery	25% per annum on written down value
Motor vehicles	25% per annum on written down value
Land & Buildings	20% straight line

Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes, except to the extent that a liability to taxation is unlikely to crystallise.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Man Bytes Dog Ltd
Notes to the Accounts
for the year ended 30 June 1999

2 Operating profit	1999	1998		
	£	£		
This is stated after charging:				
Depreciation of owned fixed assets	5,694	10,569		
Pension costs	1,850	2,969		
Auditors' remuneration	<u>2,000</u>	<u>2,000</u>		
3 Taxation	1999	1998		
	£	£		
UK corporation tax	<u>(4,655)</u>	<u>5,762</u>		
4 Tangible fixed assets				
	Land and buildings	Plant and machinery	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 July 1998	5,087	26,604	20,926	52,617
Additions	-	3,130	-	3,130
Disposals	<u>(5,087)</u>	<u>(14,751)</u>	<u>(6,000)</u>	<u>(25,838)</u>
At 30 June 1999	<u>-</u>	<u>14,983</u>	<u>14,926</u>	<u>29,909</u>
Depreciation				
At 1 July 1998	2,034	12,517	6,357	20,908
Charge for the year	-	2,906	2,788	5,694
On disposals	<u>(2,034)</u>	<u>(9,156)</u>	<u>(2,625)</u>	<u>(13,815)</u>
At 30 June 1999	<u>-</u>	<u>6,267</u>	<u>6,520</u>	<u>12,787</u>
Net book value				
At 30 June 1999	<u>-</u>	<u>8,716</u>	<u>8,406</u>	<u>17,122</u>
At 30 June 1998	<u>3,053</u>	<u>14,087</u>	<u>14,569</u>	<u>31,709</u>
			1999	1998
			£	£
Net book value of plant and machinery included above held under finance leases and hire purchase contracts			<u>2,348</u>	<u>-</u>
5 Debtors	1999	1998		
	£	£		
Trade debtors	52,725	23,896		
Amounts owed by group undertakings and undertakings in which the company has a participating interest	5,793	4,055		
Other debtors	<u>4,464</u>	<u>-</u>		
	<u>62,982</u>	<u>27,951</u>		

Man Bytes Dog Ltd
Notes to the Accounts
for the year ended 30 June 1999

6 Creditors: amounts falling due within one year	1999	1998
	£	£
Bank loans and overdrafts	9,248	9,938
Obligations under finance lease and hire purchase contracts	1,047	-
Trade creditors	56,462	16,691
Amounts owed to group undertakings and undertakings in which the company has a participating interest	577	8,265
Corporation tax	-	4,655
Other taxes and social security costs	485	10,786
Other creditors	3,780	2,780
	<u>71,599</u>	<u>53,115</u>

The directors, have personally guaranteed the bank for £10,000 plus interest and costs.

7 Creditors: amounts falling due after one year	1999	1998
	£	£
Obligations under finance lease and hire purchase contracts	<u>3,140</u>	<u>-</u>

8 Share capital	1999	1998
	£	£
Authorised:		
Ordinary shares of £1 each	<u>2,000</u>	<u>2,000</u>

	1999	1998	1999	1998
	No	No	£	£
Allotted, called up and fully paid:				
Ordinary shares of £1 each	191	191	<u>191</u>	<u>191</u>

Movement in share capital	1999	1998
	£	£
At 1 July	191	100
Shares issued	-	91
At 30 June	<u>191</u>	<u>191</u>

9 Profit and loss account	1999	1998
	£	£
At 1 July	12,418	848
Retained (loss)/profit	(5,588)	11,570
At 30 June	<u>6,830</u>	<u>12,418</u>

Man Bytes Dog Ltd
Notes to the Accounts
for the year ended 30 June 1999

10 Post balance sheet events

On the 1st September 1999, the the company was purchased outright from the MBD Group by J.Morris, when it ceased to be a subsidiary.

11 Contingent liabilities

During the year the two directors, Mr. Jankowski & Mr. Morris, and their respective personal assistants, were employed by and paid by the holding company the MBD Group Limited. There is a possibility that the company may have to contribute to these costs however Mr. Morris the director feels that this claim will not materialise.

12 Transactions with directors

For part of the year, one of the directors provided the company with premises, for this he received £1,750 (1998: £2,600).

13 Related parties

At the Balance Sheet Date, the company was a wholly owned subsidiary of the MBD Group Ltd. At the 30th June 1999, the company was owed by the holding company the MBD Group Limited £1,512, and by MBD Multimedia Limited £4,282, the company owed MBD Projects Limited £155, and MBD Deltacom Limited £422.

14 Controlling party

At the Balance Sheet date the company was ultimately controlled by Mr. J.Morris and Mr. G.Jankowski. On the 1st September 1999, G.Jankowski resigned as a director and Mr. J.Morris became the ultimate controlling party.

15 Going Concern

The financial statements have been prepared on a going concern basis, since the director does not believe that the contingent liability as explained in note 11 will crystallise. J.Morris has provided assurances that further funds will be made available to the company if required.