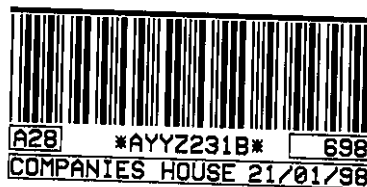


Man Bytes Dog Ltd

Directors' Report and Accounts

for the year ended 30 June 1997

Registration number 2935835



Man Bytes Dog Ltd
Directors and Officers

DIRECTOR
Johnny Morris
Geoffrey Jankowski

SECRETARY
Josephine Morris

REGISTERED OFFICE
52 Upper Brook Street
Mayfair
London W1Y 1PC

ACCOUNTANTS
Sharman Associates
14 Broadwick Street
London W1V 1FH

Man Bytes Dog Ltd
Directors' Report
for the year ended 30 June 1997

The directors presents their report and accounts for the year ended 30 June 1997.

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 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;
- 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.

Principal activities

The company's principal activity during the year continued to be the provisions of consultancy services, additionally the company traded in electronic equipment.

Directors' interests

The director at the balance sheet date and his interest in the share capital of the company were as follows:

	£1 Ordinary shares	
	1997	1996
Johnny Morris	100	2
Geoffrey Jankowski (appointed 7.6.97)	-	-

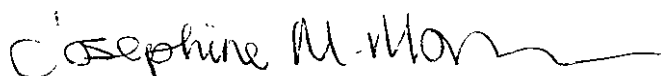
Accountants

A resolution to reappoint Sharman Associates as auditors will be put to the members at the Annual General Meeting.

Small company exemptions

The directors have taken advantage of the exemptions conferred by Part II of Schedule 8 to the Companies Act 1985.

This report was approved by the board on 29th September 1997.



Josephine Morris
Secretary

Man Bytes Dog Ltd
Profit and Loss Account
for the year ended 30 June 1997

	Notes	1997 £	1996 £
Turnover	2	159,276	51,166
Cost of sales		(82,583)	(32,363)
Gross profit		<u>76,693</u>	<u>18,803</u>
Administrative expenses		(70,939)	(30,585)
Operating profit/(loss)	3	<u>5,754</u>	<u>(11,782)</u>
Bank interest receivable		-	17
Interest payable		(900)	(614)
Profit/(loss) on ordinary activities before taxation		<u>4,854</u>	<u>(12,379)</u>
Taxation on profit on ordinary activities		788	2,550
Profit/(loss) on ordinary activities after taxation		<u>5,642</u>	<u>(9,829)</u>
Dividends		-	-
Retained profit/(loss) for the year	9	<u>5,642</u>	<u>(9,829)</u>

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years.

Statement of total recognised gains and losses

The company has no recognised gains or losses other than the loss for the above two financial years.

Man Bytes Dog Ltd
Balance Sheet
as at 30 June 1997

	Notes	1997 £	1996 £
Fixed assets			
Tangible assets	4	25,974	3,419
Current assets			
Debtors	5	40,242	1,997
Cash at bank and in hand		-	1,612
		<u>40,242</u>	<u>3,609</u>
Creditors: amounts falling due within one year	6	(62,803)	(11,710)
Net current liabilities		<u>(22,561)</u>	<u>(8,101)</u>
Total assets less current liabilities		<u>3,413</u>	<u>(4,682)</u>
Creditors: amounts falling due after more than one year			
Obligations under finance lease and hire purchase contracts	7	(2,466)	(111)
		<u>(2,466)</u>	<u>(111)</u>
		<u>947</u>	<u>(4,793)</u>
Capital and reserves			
Called up share capital	8	100	2
Profit and loss account	9	847	(4,795)
	10	<u>947</u>	<u>(4,793)</u>

The directors are satisfied that the company is entitled to exemption under Section 249A(1) of the Companies Act 1985 and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledges their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with Section 221 of the Companies Act 1985; and
- (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226 of the Companies Act 1985, and which otherwise comply with the requirements of this act relating to accounts, so far as applicable to the company.

The directors have taken advantage of the exemptions conferred by Part I of Schedule 8 to the Companies Act 1985 on the grounds that the company is entitled to the benefit of those exemptions as a small company.


 Johnny Morris
 Director

Approved by the board on 29th September 1997

Man Bytes Dog Ltd
Notes to the Accounts
at 30 June 1997

1 Accounting policies

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards and as a going concern on the basis that the Director will ensure that sufficient finance is available to the company to enable them to meet its liabilities as they fall due.

Depreciation and Amortisation

Depreciation is provided on all tangible and intangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Motor vehicles	25% per annum on written down value
Plant and machinery	25% per annum on written down value
Land and Buildings Costs	20% Straight line basis

Deferred taxation

Deferred taxation is provided on the liability method on all timing differences which are expected in the foreseeable future, calculated at the rate at which it is estimated that the tax will be payable.

No material differences exist at 30 June 1997.

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
at 30 June 1997

2 Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties.

3 Operating profit

1997

1996

£

£

This is stated after charging/(crediting):

Depreciation and amortisation of owned fixed assets

9,867

1,140

Directors' remuneration

11,840

10,221

4 Tangible fixed assets

	Land and Buildings £	Plant and machinery £	Motor Vehicles £	Total £
Cost				
At 1 July 1996	-	5,743	-	5,743
Additions	5,087	13,922	13,413	32,422
At 30 June 1997	5,087	19,665	13,413	33,078
Depreciation & Amortisation				
At 1 July 1996	-	2,324	-	2,324
Charge for the year	1,017	5,497	3,353	9,867
At 30 June 1997	1,017	7,821	3,353	12,191
Net book value				
At 30 June 1997	4,070	11,844	10,060	25,974
At 30 June 1996	-	3,419	-	3,419

5 Debtors

1997

1996

£

£

Trade debtors

37,565

1,847

Other debtors

2,677

150

40,242

1,997

6 Creditors: amounts falling due within one year

1997

1996

£

£

Bank overdrafts

6,154

2,866

Obligations under finance lease and hire purchase contracts

3,589

1,333

Trade creditors

16,058

1,971

Other creditors

37,002

5,540

62,803

11,710

Man Bytes Dog Ltd
Notes to the Accounts
at 30 June 1997

7	Obligations under finance leases and hire purchase contracts			1997	1996
				£	£
	Amounts payable:				
	within one year			3,589	1,333
	within two to five years			2,466	111
				<u>6,055</u>	<u>1,444</u>
8	Share capital			1997	1996
				£	£
	Authorised:				
	Ordinary shares of £1 each			<u>1,000</u>	<u>1,000</u>
		1997	1996	1997	1996
		No	No	£	£
	Allotted, called up and fully paid:				
	Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>100</u>	<u>2</u>
9	Profit and loss account			1997	1996
				£	£
	Profit and loss account at 1 July			(4,795)	5,034
	Retained profit/(loss)			5,642	(9,829)
				<u>847</u>	<u>(4,795)</u>
10	Reconciliation of movements in shareholders' funds			1997	1996
				£	£
	Profit/(loss) for the financial year			5,642	(9,829)
	Shareholders' funds at 1 July			(4,793)	5,036
	Share Capital Issued			98	-
	Shareholders' funds at 30 June			<u>947</u>	<u>(4,793)</u>

11 FRS 8 Related Party Transactions

The ultimate controlling party is Johnny Morris at the Balance Sheet Date. The company purchased a motor vehicle from Mr. Geoffrey Jankowski (a Director) for the sum of £6000, which the directors believe is at a fair market value.