

Registered number
2935835

Man Bytes Dog Ltd
Report and Accounts
30 June 1998



Man Bytes Dog Ltd

Directors' Report

The directors present their report and accounts for the year ended 30 June 1998.

Principal activities

The company's principal activity during the year continued to be the provisions of consultancy services, and the sale of electronic equipment. The Directors are of the opinion that the company performance was satisfactory during the year, and the company is in a position to take advantage of any opportunities which may arise.

Directors

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

	A Shares £1 Ordinary shares		B Shares £1 Ordinary shares	
	1998	1997	1998	1997
J. Morris	50	100	51	-
G.J. Jankowski	50	-	40	-

The A Shares are held by The MBD Group Limited, which is the holding company, and the director's interest in the holding company has been reflected. The holding company is wholly incorporated in the U.K..

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.

Auditors

A resolution to reappoint PM 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 15th March 1999.



J. Morris
Director

**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 3 to 8 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, under the historical cost convention and the accounting policies set out on page 5.

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.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 30th June 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.

P. M. Cullen ~ co

PM Cullen & Co
Chartered Accountants and Registered Auditors

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

15th March 1999

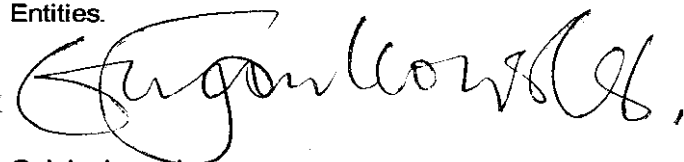
Man Bytes Dog Ltd
Profit and Loss Account
for the year ended 30 June 1998

	Notes	1998 £	1997 £
Turnover		226,977	159,276
Cost of sales		(141,937)	(82,583)
Gross profit		<u>85,040</u>	<u>76,693</u>
Administrative expenses		(66,944)	(70,939)
Operating profit	2	<u>18,096</u>	<u>5,754</u>
Interest payable		(764)	(900)
Profit on ordinary activities before taxation		<u>17,332</u>	<u>4,854</u>
Tax on profit on ordinary activities	3	(5,762)	788
Profit for the financial year		<u>11,570</u>	<u>5,642</u>
Retained profit for the financial year	9	<u>11,570</u>	<u>5,642</u>

Man Bytes Dog Ltd
Balance Sheet
as at 30 June 1998

	Notes	1998 £	1997 £
Fixed assets			
Tangible assets	4	31,709	25,974
Current assets			
Debtors	5	27,951	40,242
Cash at bank and in hand		<u>6,063</u>	<u>-</u>
		34,014	40,242
Creditors: amounts falling due within one year	6	(53,115)	(62,803)
Net current liabilities		<u>(19,101)</u>	<u>(22,561)</u>
Total assets less current liabilities		<u>12,608</u>	<u>3,413</u>
Creditors: amounts falling due after more than one year	7	-	(2,466)
Net assets		<u>12,608</u>	<u>947</u>
Capital and reserves			
Called up share capital	8	191	100
Profit and loss account	9	12,417	847
Shareholders' funds		<u>12,608</u>	<u>947</u>

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and the Financial Reporting Standard for Smaller Entities.



G.J. Jankowski
 Director

Approved by the board on 15th March 1999

Man Bytes Dog Ltd
Notes to the Accounts
for the year ended 30 June 1998

1 Accounting policies

Accounting convention

The accounts have been prepared under the historical cost convention.

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 and Buildings	20% on a straight line basis

Stocks

Stock is valued at the lower of cost and net realisable value.

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 1998

2 Operating profit	1998	1997		
	£	£		
This is stated after charging:				
Depreciation of owned fixed assets	10,569	9,867		
Directors' remuneration	-	11,840		
Auditors' remuneration	<u>2,000</u>	<u>-</u>		
3 Taxation	1998	1997		
	£	£		
UK corporation tax	<u>5,762</u>	<u>(788)</u>		
4 Tangible fixed assets				
	Land and buildings £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 July 1997	5,087	19,665	13,413	38,165
Additions	-	6,939	14,926	21,865
Disposals	-	-	(7,413)	(7,413)
At 30 June 1998	<u>5,087</u>	<u>26,604</u>	<u>20,926</u>	<u>52,617</u>
Depreciation				
At 1 July 1997	1,017	7,822	3,353	12,192
Charge for the year	1,017	4,695	4,857	10,569
On disposals	-	-	(1,853)	(1,853)
At 30 June 1998	<u>2,034</u>	<u>12,517</u>	<u>6,357</u>	<u>20,908</u>
Net book value				
At 30 June 1998	<u>3,053</u>	<u>14,087</u>	<u>14,569</u>	<u>31,709</u>
At 30 June 1997	<u>4,070</u>	<u>11,843</u>	<u>10,060</u>	<u>25,973</u>
5 Debtors	1998	1997		
	£	£		
Trade debtors	23,896	37,565		
Amounts owed by group undertakings and undertakings in which the company has a participating interest	4,055	-		
Other debtors	<u>-</u>	<u>2,677</u>		
	<u>27,951</u>	<u>40,242</u>		

Man Bytes Dog Ltd
Notes to the Accounts
for the year ended 30 June 1998

9 Profit and loss account	1998	1997
	£	£
At 1 July	847	(4,795)
Retained profit	11,570	5,642
At 30 June	<u>12,417</u>	<u>847</u>

10 Related parties

The company is a wholly owned subsidiary of The MBD Group limited. The company is ultimately controlled by J.Morris and G.J.Jankowski. At the Balance Sheet Date, the company owed the holding company The MBD Group Limited £8,265, and was owed by another group undertaking MBD Deltacom Limited £ 4,055.