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REGISTERED NUMBER: 4033364 (England and Wales)

Abbreviated Accounts for the Year Ended 31 December 2002

for

Hybyte Solutions & Services Ltd



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Hybyte Solutions & Services Ltd

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for the Year Ended 31 December 2002

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Hybyte Solutions & Services Ltd

Company Information
for the Year Ended 31 December 2002

DIRECTORS:

B Choudhrie
C P Thomas
V Gole
M M Barbieri

SECRETARY:

Pensec Ltd

REGISTERED OFFICE:

1st Floor
Bucklesbury House
83 Cannon Street
London
EC4N 8PE

REGISTERED NUMBER:

4033364 (England and Wales)

AUDITORS:

Cheshams Accountants Ltd
Chartered Certified Accountants
& Registered Auditor
1st Floor, Tudor House
44-50 Bath Road
Hounslow
Middlesex
TW3 3EB

SOLICITORS:

Penningtons
1st Floor
Bucklersbury House
83 Cannon Street
London EC4N 8PE

Report of the Independent Auditors to
Hybyte Solutions & Services Ltd
Under Section 247B of the Companies Act 1985

We have examined the abbreviated accounts on pages three to six, together with the full financial statements of the company for the year ended 31 December 2002 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages three to six are properly prepared in accordance with those provisions.

Other information

On 21 October 2004 we reported, as auditors to the shareholders of the company on the financial statements for the year ended 31 December 2002 prepared under Section 226 of the Companies Act 1985, and our report included the following paragraph:

"Going concern

The Financial statements have been prepared under the going concern basis, the validity of which depends upon future funding being available. The financial statements do not include any adjustments that would result from a failure to obtain funding. The company directors are satisfied that the company has reasonable resources to enable them to continue in business for the foreseeable future. Our opinion is not qualified in this respect."

Cheshams Accountants Ltd

Cheshams Accountants Ltd
Chartered Certified Accountants
& Registered Auditor
1st Floor, Tudor House
44-50 Bath Road
Hounslow
Middlesex
TW3 3EB

21 October 2004

Hybyte Solutions & Services Ltd

Abbreviated Balance Sheet
31 December 2002

		31.12.02		31.12.01	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	2		134,901		112,833
Investments	3		162,951		147,120
			<u>297,852</u>		<u>259,953</u>
CURRENT ASSETS:					
Debtors		875,335		521,671	
Prepayments and accrued income		17,753		173,038	
Cash at bank and in hand		18,199		245,340	
		<u>911,287</u>		<u>940,049</u>	
CREDITORS: Amounts falling due within one year		<u>350,410</u>		<u>284,210</u>	
NET CURRENT ASSETS:			<u>560,877</u>		<u>655,839</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			858,729		915,792
CREDITORS: Amounts falling due after more than one year			<u>4,642,956</u>		<u>3,083,437</u>
			<u>£(3,784,227)</u>		<u>£(2,167,645)</u>
CAPITAL AND RESERVES:					
Called up share capital	4		50,000		50,000
Foreign exchange translation reserve in subsidiary			12,823		(3,008)
Profit and loss account			<u>(3,847,050)</u>		<u>(2,214,637)</u>
SHAREHOLDERS' FUNDS:			<u>£(3,784,227)</u>		<u>£(2,167,645)</u>

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

ON BEHALF OF THE BOARD:



M M Barbieri - Director

Approved by the Board on 21 October 2004

Notes to the Abbreviated Accounts
for the Year Ended 31 December 2002

1. **ACCOUNTING POLICIES**

Non-Consolidation of Group Accounts

The Company has taken advantage of the statutory exemption not to prepare group accounts by virtue of its size, as permitted by section 248 of the Companies Act 1985. The information contained in these accounts relates to the company as an individual undertaking and not to the group.

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 33% on cost
Fixtures and fittings	- 20% on cost
Computer equipment	- 33% on cost

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Research and Development

Research and development costs include programmers salaries and other expenses incurred by the company to develop new products and prototypes that aims to break new grounds in mobile technology. Research and development costs are charged to the profit and loss account in the year in which they are incurred. Where SSAP13 criteria are met the expenditure is deferred and amortised over the estimated useful life of the asset.

2. **TANGIBLE FIXED ASSETS**

	Total
	£
COST:	
At 1 January 2002	242,020
Additions	122,912
	<hr/>
At 31 December 2002	364,932
	<hr/>
DEPRECIATION:	
At 1 January 2002	129,187
Charge for year	100,844
	<hr/>
At 31 December 2002	230,031
	<hr/>
NET BOOK VALUE:	
At 31 December 2002	134,901
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At 31 December 2001	112,833
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Hybyte Solutions & Services Ltd

Notes to the Abbreviated Accounts
for the Year Ended 31 December 2002

3. **FIXED ASSET INVESTMENTS**

	£
COST OR VALUATION:	
At 1 January 2002	147,120
Surplus on revaluation	15,831
	<hr/>
At 31 December 2002	162,951
	<hr/>
NET BOOK VALUE:	
At 31 December 2002	162,951
	<hr/> <hr/>
At 31 December 2001	147,120
	<hr/> <hr/>

The company's investments at the balance sheet date in the share capital of unlisted companies include the following:

Hybyte AG

Country of incorporation: Germany

Nature of business: SMS card supplier & mobile content aggregator

	%
Class of shares:	holding
Ordinary	100.00

	31.12.02	31.12.01
	£	£
Aggregate capital and reserves	(567,128)	(277,151)
Loss for the year/period	(271,822)	(460,792)
	<hr/> <hr/>	<hr/> <hr/>

The company has a 100% subsidiary in Germany called HybyteAG which has a subscribed and issued share capital of 250,000 Euros. Differences of exchange arising from the retranslation of the investment in the German subsidiary is taken against the amount due from the subsidiary company.

4. **CALLED UP SHARE CAPITAL**

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.02	31.12.01
			£	£
50,000	Ordinary	£1.00	50,000	50,000
			<hr/> <hr/>	<hr/> <hr/>

5. **ULTIMATE PARENT COMPANY**

The company is a wholly owned subsidiary of Shelley Group Holdings Limited a company based in Tortola, British Virgin Islands.

6. RELATED PARTY DISCLOSURES

Financial Reporting Standard 8, 'Related Party Transactions', requires the details of material transactions between the reporting entity and related parties. The Group has taken advantage of exemptions under Financial Reporting Standard 8 not to disclose transactions between group companies.

Mr C.P.Thomas and Mr B.Choudhrie are also directors of Enfranchise 421 Limited and C&C Sons Limited. The company received short term loans which are included in Other Creditors. The Amounts were as follows:

Enfranchise Limited	£ 24,189
C & C Sons Limited	£ 18,550

Mr C.P.Thomas is also a director of Mexag Limited a company incorporated in the United Kingdom.

7. GUARANTEE

A corporate guarantee of 9000 Euros was issued by Bank of India in favour of Ministry of Finance Ghana on 18th July 2002. This Guarantee was cancelled in 2003.