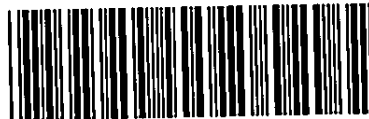


Abbreviated Accounts for the Year Ended 31 December 2007

for

Hybyte Solutions & Services Ltd

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COMPANIES HOUSE

Hybyte Solutions & Services Ltd

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for the Year Ended 31 December 2007**

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Hybyte Solutions & Services Ltd

Company Information
for the Year Ended 31 December 2007

DIRECTORS.

B Choudhrie
C P Thomas
M M Barbieri

SECRETARY:

Pensec Ltd

REGISTERED OFFICE:

Abacus House
33 Gutter Lane
London
EC2V 8AR

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
Abacus House
33 Gutter Lane
London
EC2V 8AR

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

We have examined the abbreviated accounts set out on pages three to six, together with the financial statements of Hybyte Solutions & Services Ltd for the year ended 31 December 2007 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 abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The Special Auditor's Report on Abbreviated Accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin 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.

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 have been properly prepared in accordance with those provisions.

Other information

On 24 September 2008 we reported, as auditors to the shareholders of the company on the financial statements for the year ended 31 December 2007 prepared under Section 226 of the Companies Act 1985, and our report included the following extract:

"Going Concern

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 of the financial statements concerning the continued support from the shareholders. In view that the going concern is dependant on the continuing support, we consider that it should be drawn to your attention but our opinion is not qualified in this respect."



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

24 September 2008

Hybyte Solutions & Services Ltd**Abbreviated Balance Sheet****31 December 2007**

	Notes	31 12 07 £	31 12 06 £
FIXED ASSETS			
Tangible assets	2	3	3
Investments	3	1	1
		<u>4</u>	<u>4</u>
CURRENT ASSETS			
Debtors		424,619	933,518
Prepayments and accrued income		22,351	31,466
Cash at bank		14,557	25,923
		<u>461,527</u>	<u>990,907</u>
CREDITORS			
Amounts falling due within one year		<u>2,431,979</u>	<u>2,543,035</u>
NET CURRENT LIABILITIES		<u>(1,970,452)</u>	<u>(1,552,128)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(1,970,448)</u>	<u>(1,552,124)</u>
CREDITORS			
Amounts falling due after more than one year		<u>6,212,827</u>	<u>6,212,827</u>
NET LIABILITIES		<u>(8,183,275)</u>	<u>(7,764,951)</u>
CAPITAL AND RESERVES			
Called up share capital	4	50,000	50,000
Profit and loss account		<u>(8,233,275)</u>	<u>(7,814,951)</u>
SHAREHOLDERS' FUNDS		<u>(8,183,275)</u>	<u>(7,764,951)</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

The financial statements were approved by the Board of Directors on 24 September 2008 and were signed on its behalf by



M M Barbieri - Director

Hybyte Solutions & Services Ltd

Notes to the Abbreviated Accounts **for the Year Ended 31 December 2007**

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 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

Turnover

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

Mobile payment services are recognised as income based on the gross billing by the mobile phone operators.

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.

Going Concern

The accounts have been prepared on a going concern basis which is dependent upon the continuing support of the shareholders.

2 TANGIBLE FIXED ASSETS

	Total £
COST	
At 1 January 2007	
and 31 December 2007	<u>441,200</u>
DEPRECIATION	
At 1 January 2007	
and 31 December 2007	<u>441,197</u>
NET BOOK VALUE	
At 31 December 2007	<u>3</u>
At 31 December 2006	<u>3</u>

Hybyte Solutions & Services Ltd

Notes to the Abbreviated Accounts - continued for the Year Ended 31 December 2007

3 **FIXED ASSET INVESTMENTS**

	Listed investments £
COST	
At 1 January 2007 and 31 December 2007	<u>169,780</u>
PROVISIONS	
At 1 January 2007 and 31 December 2007	<u>169,779</u>
NET BOOK VALUE	
At 31 December 2007	<u>1</u>
At 31 December 2006	<u>1</u>

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

Hybyte AG

Country of incorporation Germany

Nature of business SMS card supplier & mobilecontent aggregator

Class of shares	% holding
Ordinary	100 00

	31 12 07	31 12 06
	£	£
Aggregate capital and reserves	(1,263,080)	(1,385,584)
Profit/(Loss) for the year	<u>221,607</u>	<u>(207,502)</u>

The company has a 100% subsidiary in Germany called HybyteAG which has a subscribed and issued share capital of 250000 Euros Differences of exchange arising from the retranslation of the investment in the German subsidiary excluding the loan made during the year is taken against the amount due from the subsidiary company As stated in the directors report , the company is under voluntary liquidation with effect from 1st June 2008 The company has upto 31st December written off £ 1,556,784 (£1,553,069 till December 2006) towards impairment in the total value of investment (shares and loans) held in the subsidiary Hybyte AG

4 **CALLED UP SHARE CAPITAL**

Authorised, allotted, issued and fully paid

Number	Class	Nominal value £1 00	31 12 07 £	31 12 06 £
50,000	Ordinary		<u>50,000</u>	<u>50,000</u>

5 **ULTIMATE PARENT COMPANY**

As at the balance sheet date the company is a 91% subsidiary of Harberry Investments Limited a company based in Tortola, British Virgin Islands The other 9% is held by Microbyte Investments limited a company also registered in Tortola, British Virgin Islands

Hybyte Solutions & Services Ltd

Notes to the Abbreviated Accounts - continued **for the Year Ended 31 December 2007**

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, SW1 Properties Ltd, 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 (2006 £ 24,189)

C & C Sons Limited £1,735,950 (2006 £1,075,783)

SW1 Properties Ltd £ 32,000 (2006 £ 32,000)

Mr C P Thomas, and Mr B Choudhrie are directors of Hybyte AG, a 100% subsidiary of Hybyte Solutions & Services Ltd. Hybyte AG is under voluntary liquidation with effect from 1st June 2008. Igor Rucker and Katrin Witte have been appointed as liquidators of Hybyte AG.

7 PROVISION FOR IMPAIRMENT OF INVESTMENT IN SUBSIDIARY

During the year the directors reviewed the investments (shares and loans) held in the Subsidiary Hybyte AG. The directors believe that due to the current financial position of Hybyte AG it is necessary to provide for impairment of the total value of the investment held in Hybyte AG resulting in a charge of £1,444,105 to the profit and loss account.