

REGISTERED NUMBER: 4033364 (England and Wales) *Reg 964*

ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2008

FOR

HYBYTE SOLUTIONS & SERVICES LTD



CONTENTS OF THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2008

	Page
Company Information	1
Report of the Independent Auditors on the Abbreviated Accounts	2
Abbreviated Balance Sheet	3
Notes to the Abbreviated Accounts	4

HYBYTE SOLUTIONS & SERVICES LTD

COMPANY INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2008

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 2008 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 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 30 October 2009 we reported as auditors to the shareholders of the company on the financial statements for the year ended 31 December 2008 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 disclosures made in note 1 of the financial statements concerning the change of basis from going concern to net realisable basis. In view of this change in basis, 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

30 October 2009

HYBYTE SOLUTIONS & SERVICES LTD (REGISTERED NUMBER: 4033364)**ABBREVIATED BALANCE SHEET**
31 DECEMBER 2008

	Notes	2008		2007	
		£	£	£	£
FIXED ASSETS					
Tangible assets	2		-		3
Investments	3		-		1
			<hr/>		<hr/>
			-		4
CURRENT ASSETS					
Debtors		433,222		424,619	
Prepayments and accrued income		2,771		22,351	
Cash at bank		8,633		14,557	
		<hr/>		<hr/>	
		444,626		461,527	
CREDITORS					
Amounts falling due within one year		8,911,281		2,431,979	
		<hr/>		<hr/>	
NET CURRENT LIABILITIES			(8,466,655)		(1,970,452)
TOTAL ASSETS LESS CURRENT LIABILITIES			(8,466,655)		(1,970,448)
CREDITORS					
Amounts falling due after more than one year			-		6,212,827
			<hr/>		<hr/>
NET LIABILITIES			(8,466,655)		(8,183,275)
			<hr/>		<hr/>
CAPITAL AND RESERVES					
Called up share capital	4		50,000		50,000
Profit and loss account			(8,516,655)		(8,233,275)
			<hr/>		<hr/>
SHAREHOLDERS' FUNDS			(8,466,655)		(8,183,275)
			<hr/>		<hr/>

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 30 October 2009 and were signed on its behalf by:



C P Thomas - Director

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2008

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 financial statements for the year ended 31st December 2008 have not been prepared on a going concern basis, but instead on a net realisable basis in accordance with best accounting practice, applying the net realisable basis. Fixed Assets and long term liabilities have been reclassified into either current assets or current liabilities as appropriate.

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2008

2. TANGIBLE FIXED ASSETS

	Total £
COST	
At 1 January 2008	441,200
Additions	472
Reclassification/transfer	(441,672)
	<hr/>
At 31 December 2008	-
	<hr/>
DEPRECIATION	
At 1 January 2008	441,197
Charge for year	156
Reclassification/transfer	(441,353)
	<hr/>
At 31 December 2008	-
	<hr/>
NET BOOK VALUE	
At 31 December 2008	-
	<hr/> <hr/>
At 31 December 2007	3
	<hr/> <hr/>

Due to the change in basis of accounting from going concern basis to that of net realisable basis, all the Fixed assets have been re-classified into Current Assets.

3. FIXED ASSET INVESTMENTS

	Investments other than loans £
COST	
At 1 January 2008	169,780
Reclassification/transfer	(169,780)
	<hr/>
At 31 December 2008	-
	<hr/>
AMORTISATION	
At 1 January 2008	169,779
Reclassification	(169,779)
	<hr/>
At 31 December 2008	-
	<hr/>
NET BOOK VALUE	
At 31 December 2008	-
	<hr/> <hr/>
At 31 December 2007	1
	<hr/> <hr/>

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

Hybyte AG a 100% subsidiary based in Berlin, Germany, was liquidated and was taken off the commercial register on 10th September 2009.

The company has up to 31st December 2008 written off £1,554,050.46 (£1,556,784 31st December 2007) towards impairment in the total value of investment (shares and loans) held in the subsidiary company Hybyte AG.

HYBYTE SOLUTIONS & SERVICES LTD (REGISTERED NUMBER: 4033364)

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2008

4. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2008 £	2007 £
50,000	Ordinary	£1.00	<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 Matt Barbieri, (previously held by Microbyte Investments limited upto 24th April 2008.) Microbyte Investments limited is a company also registered 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, SW1 Properties Ltd, C&C Business Solutions Limited (previously C & C Sons Limited) and C & C Alpha Group Limited. The company received short term loans which are included in Other Creditors. The Amounts were as follows:

Enfranchise Limited	£ 24,189 (2007 £ 24,189)
C & C Business Solutions Limited (previously C & C Sons Limited)	£ 1,026,519 (2007 £ 1,025,930)
C & C Alpha Group Limited	£ 968,020 (2007 £ 710,020)
SW1 Properties Ltd	£ 32,000 (2007 £ 32,000)

The short term loan of £1,735,950 shown as received from C & C Business Services limited under Note 13 of the related party disclosures in the financial statements for the year ended 31 December 2007 have now been reclassified as short term loans received from C & C Business Group Services limited £1,025,930 and from C& C Alpha Group Limited £710,020.

Mr C.P. Thomas, and Mr B. Choudhrie are directors of Hybyte AG, a 100% subsidiary of Hybyte Solutions & Services Ltd, based in Berlin, Germany. Hybyte AG was under voluntary liquidation with effect from 1st June 2008. Igor Rucker and Katrin Witte were appointed as liquidators of Hybyte AG. Hybyte AG was removed from the Commercial Register on 10th September 2009.