

REGISTERED NUMBER: 4033364 (England and Wales)

Abbreviated Accounts for the Year Ended 31 December 2006

for

Hybyte Solutions & Services Ltd

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for the Year Ended 31 December 2006**

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Hybyte Solutions & Services Ltd

Company Information
for the Year Ended 31 December 2006

DIRECTORS:

B Choudhrie
C P Thomas
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 set out on pages three to six, together with the financial statements of Hybyte Solutions & Services Ltd for the year ended 31 December 2006 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

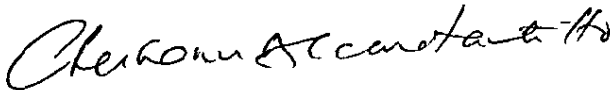
The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and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



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

30 October 2007

Hybyte Solutions & Services Ltd

Abbreviated Balance Sheet
31 December 2006

		31 12 06		31 12 05	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	2		3		21,206
Investments	3		1		1
			4		21,207
CURRENT ASSETS:					
Debtors		933,518		929,719	
Prepayments and accrued income		31,466		280,979	
Cash at bank		25,923		284,420	
		990,907		1,495,118	
CREDITORS: Amounts falling due within one year					
		2,543,035		2,539,049	
NET CURRENT LIABILITIES:					
			(1,552,128)		(1,043,931)
TOTAL ASSETS LESS CURRENT LIABILITIES:					
			(1,552,124)		(1,022,724)
CREDITORS: Amounts falling due after more than one year					
			6,212,827		6,212,827
			<u>£(7,764,951)</u>		<u>£(7,235,551)</u>
CAPITAL AND RESERVES:					
Called up share capital	4		50,000		50,000
Profit and loss account			(7,814,951)		(7,285,551)
SHAREHOLDERS' FUNDS:					
			<u>£(7,764,951)</u>		<u>£(7,235,551)</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 30 October 2007 and were signed on its behalf by



M M Barbieri - Director

Notes to the Abbreviated Accounts
for the Year Ended 31 December 2006

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 January 2005).

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 aim 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 2006	433,640
Additions	7,560
	<hr/>
At 31 December 2006	441,200
	<hr/>
DEPRECIATION:	
At 1 January 2006	412,434
Charge for year	28,763
	<hr/>
At 31 December 2006	441,197
	<hr/>
NET BOOK VALUE:	
At 31 December 2006	3
	<hr/>
At 31 December 2005	21,206
	<hr/>

Hybyte Solutions & Services Ltd

Notes to the Abbreviated Accounts
for the Year Ended 31 December 2006

3 FIXED ASSET INVESTMENTS

	£
COST OR VALUATION:	
At 1 January 2006	
and 31 December 2006	169,779
PROVISIONS:	
At 1 January 2006	
and 31 December 2006	169,778
NET BOOK VALUE:	
At 31 December 2006	1
	=
At 31 December 2005	1
	=

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 06	31 12 05
	£	£
Aggregate capital and reserves	(1,385,584)	(1,188,887)
Loss for the year	(207,502)	(112,188)
	<u> </u>	<u> </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 directors of Hybyte AG have decided to proceed with the voluntary liquidation of Hybyte AG. The directors of Hybyte Solutions and Services have received a legal opinion from its tax lawyers that it can file a claim with the German tax authorities for refund of the capital yield and solidarity tax paid by Hybyte AG.

4 CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid

Number	Class	Nominal value	31 12 06	31 12 05
			£	£
50,000	Ordinary	£1 00	50,000	50,000
			<u> </u>	<u> </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.

Notes to the Abbreviated Accounts
for the Year Ended 31 December 2006

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	(2005 £ 24,189)
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C & C Sons Limited	£1,075,783	(2005 £965,768)
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SW1 Properties Ltd	£ 32,000	(2005 £ 32,000)
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Mr C P Thomas, and Mr B Choudhrie are directors of Hybyte AG, a 100% subsidiary of Hybyte Solutions & Services Ltd. The company advanced short term loans to Hybyte AG. The amount outstanding as on 31st December was £1,385,814.58 (£1,293,977.07 as on 31st December 2005). The directors have decided to provide for this debt in full as they do not feel at this stage the amount could be recoverable.

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.