

**REGISTRAR'S COPY**

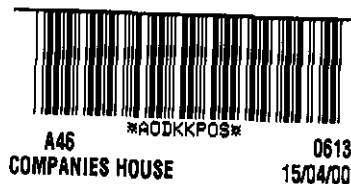
**COMPANY NUMBER 01616977.....**

**Bytes Technology Group Limited**

**Report and Financial Statements**

**Five month period ended**

**29 February 2000**



**IBDO**

**BDO Stoy Hayward**  
Chartered Accountants

# **BYTES TECHNOLOGY GROUP LIMITED**

**Annual report and financial statements for the period ended 29 February 2000**

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## **Directors**

Mr D O S Frohlich  
Mr J S T Hall  
Ms G Hogg  
Mr N R Murphy  
Mr S C P Ognall  
Mr K Richardson  
Mr M Flynn  
Mr P D Redshaw  
Mr G M Rochussen

## **Secretary and registered office**

Miss M Blight  
15-17 Chessington Road  
West Ewell  
Surrey  
KT17 1TS

## **Company number**

01616977

## **Auditors**

BDO Stoy Hayward, Emerald House, East Street, Epsom, Surrey KT17 1HS

# **BYTES TECHNOLOGY GROUP LIMITED**

## **Report of the directors for the period ended 29 February 2000**

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The directors present their report together with the audited financial statements for the period ended 29 February 2000.

### **Results and dividends**

The profit and loss account is set out on page 4 and shows the profit for the period.

### **Principal activities, trading review and future developments**

Bytes Technology Group is a specialist IT services company providing a range of technical skills and services to support corporate networks. These services include Consultancy, Project Services, Licensing, Site Services, Support, Training and Systems Supply.

### **Charitable donations**

Donations of £4,000 was made during the period.

### **Directors**

The directors of the company during the period were:

Mr D O S Frohlich  
Mr K Richardson  
Mr S C P Ognall  
Mr J de la H Beck (resigned 7 February 2000)  
Mr T J S Hall  
Ms G Hogg  
Mr N R Murphy  
Mr M Flynn (appointed 24 September 1999)  
Mr P D Redshaw (appointed 23 February 2000)  
Mr G M Rochussen (appointed 23 February 2000)

None of the directors have any interest in the ordinary shares of the company.

# **BYTES TECHNOLOGY GROUP LIMITED**

## **Report of the directors for the period ended 29 February 2000 (*Continued*)**

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### **Directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departure disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping 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 financial statements 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.

### **Impact of the Year 2000**

The directors have previously reported on the programme that was established during 1999 to address the impact of the Year 2000 on our business. They can now confirm that the company achieved an acceptable state of readiness. No material adverse effects on the company's operations or financial results arose from Year 2000 compliance failures, either within the company itself or at third parties.

The directors do not consider that any significant residual risks, uncertainties or liabilities to third parties remain as a result of the Year 2000 issue and do not anticipate further material expenditure on system modifications.

### **Auditors**

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

### **On behalf of the Board**



**K Richardson**

[Date]

6 APRIL 2000

# BYTES TECHNOLOGY GROUP LIMITED

## Report of the auditors

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### To the shareholders of Bytes Technology Group Limited

We have audited the financial statements for the five month period ended 29 February 2000 on pages 4 to 15 which have been prepared under the accounting policies set out on page 7.

#### *Respective responsibilities of directors and auditors*

As described on pages 1 and 2 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

#### *Basis of opinion*

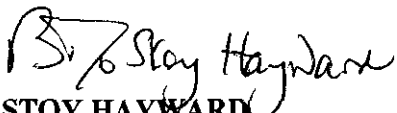
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, 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 financial statements 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 financial statements.

#### *Opinion*

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 29 February 2000 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

  
**BDO STOY HAYWARD**  
*Chartered Accountants  
and Registered Auditors*  
Epsom, Surrey

6 April 2000

**BYTES TECHNOLOGY GROUP LIMITED****Profit and loss account for the five month period ended 29 February 2000**

|                                                      | Note | Five month<br>period ended<br>29 February<br>2000<br>£'000 | Seventeen month<br>period ended<br>30 September<br>1999<br>£'000 |
|------------------------------------------------------|------|------------------------------------------------------------|------------------------------------------------------------------|
| Turnover                                             | 2    | 14,973                                                     | 47,465                                                           |
| Cost of sales                                        |      | 11,205                                                     | 33,803                                                           |
| <b>Gross profit</b>                                  |      | <b>3,768</b>                                               | <b>13,662</b>                                                    |
| Administrative expenses                              |      | 3,586                                                      | 11,768                                                           |
| <b>Operating profit</b>                              | 3    | <b>182</b>                                                 | <b>1,894</b>                                                     |
| Interest receivable                                  |      | 17                                                         | 25                                                               |
| Interest payable and similar charges                 | 4    | 12                                                         | 57                                                               |
| <b>Profit on ordinary activities before taxation</b> |      | <b>187</b>                                                 | <b>1,862</b>                                                     |
| Taxation on profit from ordinary activities          | 6    | 85                                                         | 575                                                              |
| <b>Profit on ordinary activities after taxation</b>  |      | <b>102</b>                                                 | <b>1,287</b>                                                     |
| Dividends                                            | 7    | -                                                          | 881                                                              |
| <b>Retained profit for the period</b>                |      | <b>102</b>                                                 | <b>406</b>                                                       |

All amounts relate to continuing activities.

All recognised gains and losses and movements in shareholders' funds are included in the profit and loss account.

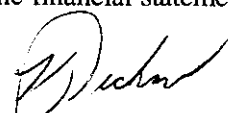
The notes on pages 7 to 15 form part of these financial statements.

# **BYTES TECHNOLOGY GROUP LIMITED**

## **Balance sheet at 29 February 2000**

|                                                                    | Note | At<br>29 February<br>2000 |       | At<br>30 September<br>1999 |       |
|--------------------------------------------------------------------|------|---------------------------|-------|----------------------------|-------|
|                                                                    |      | £'000                     | £'000 | £'000                      | £'000 |
| <b>Fixed assets</b>                                                |      |                           |       |                            |       |
| Tangible assets                                                    | 8    |                           | 618   |                            | 675   |
| Investments                                                        | 9    |                           | 4     |                            | 4     |
|                                                                    |      |                           | <hr/> |                            | <hr/> |
|                                                                    |      |                           | 622   |                            | 679   |
| <b>Current assets</b>                                              |      |                           |       |                            |       |
| Stocks                                                             | 10   | 114                       |       | 28                         |       |
| Debtors                                                            | 11   | 3,793                     |       | 4,071                      |       |
| Cash at bank and in hand                                           |      | 1,919                     |       | 1,694                      |       |
|                                                                    |      | <hr/>                     |       | <hr/>                      |       |
|                                                                    |      | 5,826                     |       | 5,793                      |       |
| <b>Creditors: amounts falling due<br/>within one year</b>          | 12   | 4,837                     |       | 5,012                      |       |
|                                                                    |      | <hr/>                     |       | <hr/>                      |       |
| <b>Net current assets</b>                                          |      |                           | 989   |                            | 781   |
|                                                                    |      |                           | <hr/> |                            | <hr/> |
| <b>Total assets less current liabilities</b>                       |      |                           | 1,611 |                            | 1,460 |
| <b>Creditors: amounts falling due after<br/>more than one year</b> | 13   | 49                        |       |                            |       |
|                                                                    |      | <hr/>                     |       |                            | <hr/> |
|                                                                    |      |                           | 1,562 |                            | 1,460 |
|                                                                    |      |                           | <hr/> |                            | <hr/> |
| <b>Capital and reserves</b>                                        |      |                           |       |                            |       |
| Share capital                                                      | 15   | 30                        |       | 30                         |       |
| Share premium account                                              | 16   | 556                       |       | 556                        |       |
| Profit and loss account                                            | 16   | 976                       |       | 874                        |       |
|                                                                    |      | <hr/>                     |       | <hr/>                      |       |
| <b>Equity shareholders' funds</b>                                  |      |                           | 1,562 |                            | 1,460 |
|                                                                    |      |                           | <hr/> |                            | <hr/> |

The financial statements were approved by the Board on 6 APRIL 2000

  
K Richardson

The notes on pages 7 to 15 form part of these financial statements.

# BYTES TECHNOLOGY GROUP LIMITED

## Cash flow statement for the period ended 29 February 2000

|                                                                                            | Note | Five month<br>period ended<br>29 February<br>2000<br>£'000s | Seventeen month<br>period ended<br>30 September<br>1999<br>£'000s |
|--------------------------------------------------------------------------------------------|------|-------------------------------------------------------------|-------------------------------------------------------------------|
| <b>Reconciliation of operating profit to<br/>net cash inflow from operating activities</b> |      |                                                             |                                                                   |
| Operating profit                                                                           |      | 182                                                         | 1,894                                                             |
| Depreciation charges                                                                       |      | 101                                                         | 298                                                               |
| Loss on disposal of fixed assets                                                           |      | 2                                                           | 23                                                                |
| Amortisation of tangible fixed assets                                                      |      | -                                                           | 1                                                                 |
| (Increase)/decrease in stocks                                                              |      | (86)                                                        | (6)                                                               |
| (Increase)/decrease in debtors                                                             |      | 278                                                         | (323)                                                             |
| (Decrease)/increase in creditors                                                           |      | 619                                                         | (973)                                                             |
|                                                                                            |      | <hr/>                                                       | <hr/>                                                             |
| <b>Net cash inflow from operating activities</b>                                           |      | <b>1,096</b>                                                | <b>914</b>                                                        |
|                                                                                            |      | <hr/>                                                       | <hr/>                                                             |

## CASH FLOW STATEMENT

|                                                  |      |            |            |
|--------------------------------------------------|------|------------|------------|
| <b>Net cash inflow from operating activities</b> |      | 1,096      | 914        |
| Returns on investments and servicing of finance  | 14 a | 5          | (32)       |
| Taxation                                         |      | (518)      | 133        |
| Capital expenditure and financial investment     | 14 a | (46)       | (416)      |
| Financing                                        | 14 a | (7)        | 499        |
| Equity dividends paid                            |      | (305)      | (576)      |
|                                                  |      | <hr/>      | <hr/>      |
| <b>Increase in cash in the period</b>            |      | <b>225</b> | <b>522</b> |
|                                                  |      | <hr/>      | <hr/>      |

## Reconciliation of net cash flow to movement in net debt

|                                                                |      |              |              |
|----------------------------------------------------------------|------|--------------|--------------|
| <b>Increase in cash in the period</b>                          |      | 225          | 522          |
| Cash inflow from increase/(decrease) in debt and lease finance | 14 b | (7)          | 24           |
|                                                                |      | <hr/>        | <hr/>        |
| <b>Change in net funds resulting from cashflows</b>            |      | <b>218</b>   | <b>546</b>   |
| Opening net funds                                              |      | 1,767        | 1,221        |
|                                                                |      | <hr/>        | <hr/>        |
| <b>Closing net funds</b>                                       |      | <b>1,985</b> | <b>1,767</b> |
|                                                                |      | <hr/>        | <hr/>        |

The notes on pages 7 to 15 form part of these financial statements.

# BYTES TECHNOLOGY GROUP LIMITED

Notes forming part of the financial statements for the period ended 29 February 2000

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## 1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

### *Turnover*

Turnover represents sales to outside customers at invoiced amounts less value added tax. Other credits are incorporated as they arise.

### *Depreciation*

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets over their expected useful lives. It is calculated at the following rates:

|                                 |   |                    |
|---------------------------------|---|--------------------|
| Leasehold properties            | - | period of lease    |
| Plant and machinery             | - | 33 % straight line |
| Furniture and equipment         | - | 20 % straight line |
| Motor vehicles                  | - | 25 % straight line |
| Software and computer equipment | - | 33 % straight line |

### *Stocks*

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less costs of disposal.

### *Deferred taxation*

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes, to the extent that it is probable that a liability or asset will crystallise.

### *Leased assets*

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components so that the interest element of the payment 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. The capital part reduces the amounts payable to the lessor. All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

### *Pension costs*

The company made payments to a certain employee's individual personal pension plan during the period. These payments are charged to the profit and loss account in the year in which they are paid.

**BYTES TECHNOLOGY GROUP LIMITED**

Notes forming part of the financial statements for the period ended 29 February 2000 (Continued)

**2 Turnover**

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

**3 Operating profit**

| Five month<br>period ended<br>29 February<br>2000<br>£'000 | Seventeen month<br>period ended<br>30 September<br>1999<br>£'000 |
|------------------------------------------------------------|------------------------------------------------------------------|
|------------------------------------------------------------|------------------------------------------------------------------|

The operating profit is arrived at after charging or crediting:

|                                      |       |       |
|--------------------------------------|-------|-------|
| Loss on disposal of fixed assets     | 2     | -     |
| Depreciation of owned assets         | 101   | 298   |
| Amortisation of debenture            | 1     | 1     |
| Hire of equipment – operating leases | 156   | 469   |
| Auditor's – remuneration             | 15    | 10    |
| – other services                     | -     | 8     |
|                                      | <hr/> | <hr/> |

**4 Interest payable and similar charges**

|                                            |       |       |
|--------------------------------------------|-------|-------|
| Bank overdrafts and loans                  | 9     | 7     |
| Finance leases and hire purchase contracts | 3     | 50    |
|                                            | <hr/> | <hr/> |
|                                            | 12    | 57    |
|                                            | <hr/> | <hr/> |

**5 Directors and employees**

Staff costs, including directors' remuneration, were as follows:

|                       |       |       |
|-----------------------|-------|-------|
| Wages and salaries    | 2,665 | 6,000 |
| Social security costs | 230   | 665   |
| Other pension costs   | 5     | 11    |
|                       | <hr/> | <hr/> |
|                       | 2,900 | 6,676 |
|                       | <hr/> | <hr/> |

The average monthly number of employees, including directors, during the year was as follows:

|                | Number | Number |
|----------------|--------|--------|
| Administration | 21     | 18     |
| Sales          | 36     | 40     |
| Technical      | 57     | 53     |
|                | <hr/>  | <hr/>  |
|                | 114    | 111    |
|                | <hr/>  | <hr/>  |

# BYTES TECHNOLOGY GROUP LIMITED

Notes forming part of the financial statements for the period ended 29 February 2000 (*Continued*)

## 5 Directors and employees (*Continued*)

|  | Five month<br>period ended<br>29 February<br>2000<br>£'000 | Seventeen month<br>period ended<br>30 September<br>1999<br>£'000 |
|--|------------------------------------------------------------|------------------------------------------------------------------|
|--|------------------------------------------------------------|------------------------------------------------------------------|

### Directors' emoluments

|            |     |       |
|------------|-----|-------|
| Emoluments | 340 | 1,010 |
|------------|-----|-------|

The highest paid director received emoluments and benefits as follows:

|            |    |     |
|------------|----|-----|
| Emoluments | 87 | 261 |
|------------|----|-----|

## 6 Taxation

|                                       |    |     |
|---------------------------------------|----|-----|
| UK corporation tax at 30% (1999: 31%) | 73 | 575 |
| Prior periods                         | 12 | -   |
| UK corporation tax                    | 85 | 575 |

## 7 Dividends

|                               |   |     |
|-------------------------------|---|-----|
| Ordinary Dividends - paid     | - | 576 |
| Ordinary Dividends - proposed | - | 305 |
|                               | - | 881 |

# **BYTES TECHNOLOGY GROUP LIMITED**

Notes forming part of the financial statements for the period ended 29 February 2000 (*Continued*)

## **8 Tangible fixed assets**

|                       | Short<br>leasehold<br>land and<br>buildings<br>£'000 | Plant<br>and<br>machinery<br>£'000 | Motor<br>vehicles<br>£'000 | Furniture<br>and<br>equipment<br>£'000 | Total<br>£'000 |
|-----------------------|------------------------------------------------------|------------------------------------|----------------------------|----------------------------------------|----------------|
| <i>Cost</i>           |                                                      |                                    |                            |                                        |                |
| At 1 October 1999     | 306                                                  | 476                                | 83                         | 222                                    | 1,087          |
| Additions             | -                                                    | 29                                 | -                          | 17                                     | 46             |
| Disposals             | -                                                    | (8)                                | -                          | -                                      | (8)            |
|                       | <u>306</u>                                           | <u>497</u>                         | <u>83</u>                  | <u>239</u>                             | <u>1,125</u>   |
| At 29 February 2000   | 306                                                  | 497                                | 83                         | 239                                    | 1,125          |
| <i>Depreciation</i>   |                                                      |                                    |                            |                                        |                |
| At 1 October 1999     | 27                                                   | 272                                | 23                         | 90                                     | 412            |
| Charge for the period | 9                                                    | 65                                 | 9                          | 18                                     | 101            |
| Disposals             | -                                                    | (6)                                | -                          | -                                      | (6)            |
|                       | <u>36</u>                                            | <u>331</u>                         | <u>32</u>                  | <u>108</u>                             | <u>507</u>     |
| At 29 February 2000   | 36                                                   | 331                                | 32                         | 108                                    | 507            |
| <i>Net book value</i> |                                                      |                                    |                            |                                        |                |
| At 29 February 2000   | <u>270</u>                                           | <u>166</u>                         | <u>51</u>                  | <u>131</u>                             | <u>618</u>     |
| At 30 September 1999  | <u>279</u>                                           | <u>204</u>                         | <u>60</u>                  | <u>132</u>                             | <u>675</u>     |

The net book value of tangible fixed assets includes an amount of £64,973 (1999: £76,729) in respect of assets held under hire purchase. The related depreciation for the period was £11,756 (1999: £27,268).

# **BYTES TECHNOLOGY GROUP LIMITED**

Notes forming part of the financial statements for the period ended 29 February 2000 (Continued)

## **9 Investments**

| At<br>29 February<br>2000<br>£'000 | At<br>30 September<br>1999<br>£'000 |
|------------------------------------|-------------------------------------|
|------------------------------------|-------------------------------------|

|                                              |   |   |
|----------------------------------------------|---|---|
| Unlisted debenture at cost less depreciation | 4 | 4 |
|----------------------------------------------|---|---|

## **10 Stocks**

|                |     |    |
|----------------|-----|----|
| Finished goods | 114 | 28 |
|----------------|-----|----|

## **11 Debtors**

|                                |              |              |
|--------------------------------|--------------|--------------|
| Trade debtors                  | 3,654        | 3,797        |
| Other debtors                  | 44           | 48           |
| Owed by related company        | 15           | 15           |
| Prepayments and accrued income | 80           | 94           |
| ACT recoverable                | -            | 117          |
|                                | <u>3,793</u> | <u>4,071</u> |

## **12 Creditors: amounts falling due within one year**

| At<br>29 February<br>2000<br>£'000 | At<br>30 September<br>1999<br>£'000 |
|------------------------------------|-------------------------------------|
|------------------------------------|-------------------------------------|

|                                                             |              |              |
|-------------------------------------------------------------|--------------|--------------|
| Trade creditors                                             | 2,935        | 2,116        |
| Corporation tax                                             | 145          | 578          |
| Other taxes and social security                             | 395          | 483          |
| Other creditors                                             | 7            | 5            |
| Obligations under hire purchase and finance lease contracts | 17           | 73           |
| Accruals and deferred income                                | 1,278        | 1,350        |
| Owed to related company                                     | 60           | 102          |
| Dividends proposed                                          | -            | 305          |
|                                                             | <u>4,837</u> | <u>5,012</u> |

D-O S Frohlich's director loan account was overdrawn with £90 (1998: £nil). It represents the highest balance during the year.

## **13 Creditors: amounts falling due after one year**

|                                                             |    |   |
|-------------------------------------------------------------|----|---|
| Obligations under hire purchase and finance lease contracts | 49 | - |
|-------------------------------------------------------------|----|---|

**BYTES TECHNOLOGY GROUP LIMITED**

Notes forming part of the financial statements for the period ended 29 February 2000 (*Continued*)

**14 Note to the cash flow statement:**

**(a) Gross cash flows**

|                                                            | Five month<br>period ended<br>29 February<br>2000<br>£'000s | Seventeen month<br>period ended<br>30 September<br>1999<br>£'000s |
|------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------------|
| <b>Returns on investments and servicing<br/>of finance</b> |                                                             |                                                                   |
| Interest received                                          | 17                                                          | 25                                                                |
| Interest paid                                              | (12)                                                        | (57)                                                              |
|                                                            | <u>5</u>                                                    | <u>(32)</u>                                                       |
| <b>Capital expenditure</b>                                 |                                                             |                                                                   |
| Payments to acquire tangible<br>fixed assets               | (46)                                                        | (532)                                                             |
| Receipts from sale of tangible<br>fixed assets             | -                                                           | 116                                                               |
|                                                            | <u>(46)</u>                                                 | <u>(416)</u>                                                      |
| <b>Financing</b>                                           |                                                             |                                                                   |
| Issues of share capital                                    | -                                                           | 495                                                               |
| Redemption of shares                                       | -                                                           | (20)                                                              |
| Capital element of finance lease rental payments           | (7)                                                         | 24                                                                |
|                                                            | <u>(7)</u>                                                  | <u>499</u>                                                        |

**(b) Analysis of changes in net debt**

|                          | At<br>October<br>1999<br>£'000 | Cash<br>inflows<br>£'000 | At<br>29 February<br>2000<br>£'000 |
|--------------------------|--------------------------------|--------------------------|------------------------------------|
| Cash at bank and in hand | 1,694                          | 225                      | 1,919                              |
| Finance leases           | 73                             | (7)                      | 66                                 |
|                          | <u>1,767</u>                   | <u>218</u>               | <u>1,985</u>                       |

# BYTES TECHNOLOGY GROUP LIMITED

Notes forming part of the financial statements for the period ended 29 February 2000 (*Continued*)

## 15 Share capital

|                                                                | At<br>29 February<br>2000<br>£ | At<br>30 September<br>1999<br>£ |
|----------------------------------------------------------------|--------------------------------|---------------------------------|
| <i>Authorised</i>                                              |                                |                                 |
| Equity shares                                                  |                                |                                 |
| 4,709,325 (1998: 4,428,600) 'A' Ordinary shares of 1p each     | 47,093                         | 47,093                          |
| 571,400 'B' Ordinary shares of 1p each                         | 5,714                          | 5,714                           |
|                                                                | <hr/>                          | <hr/>                           |
|                                                                | 52,807                         | 52,807                          |
|                                                                | <hr/>                          | <hr/>                           |
| <i>Allotted and issued</i>                                     |                                |                                 |
| Equity shares                                                  |                                |                                 |
| 2,420,725 (1998: 2,140,000) Allotted, called up and fully paid |                                |                                 |
| 'A' ordinary shares of 1p each                                 | 24,207                         | 24,207                          |
| 571,400 Allotted, called up and fully paid                     |                                |                                 |
| 'B' ordinary shares of 1p each                                 | 5,714                          | 5,714                           |
|                                                                | <hr/>                          | <hr/>                           |
|                                                                | 29,921                         | 29,921                          |
|                                                                | <hr/>                          | <hr/>                           |

On 4 June 1998, the company set up an approved share option scheme and options were granted to two of the directors, over a total of 213,255 "A" Ordinary shares at a price of 11.2p per share.

On 25<sup>th</sup> September 1998, the directors surrendered their rights under the share option scheme in return for the allotment of a total of 280,725 "A" Ordinary shares at the May 1998 value.

On 3 December 1998, the entire share capital was acquired by USKO (UK) Limited.

## 16 Reserves

|                       | Share<br>premium<br>account<br>£'000 | Profit<br>and loss<br>account<br>£'000 |
|-----------------------|--------------------------------------|----------------------------------------|
| At 1 October 1999     | 556                                  | 874                                    |
| Profit for the period | -                                    | 102                                    |
|                       | <hr/>                                | <hr/>                                  |
| At 29 February 2000   | 556                                  | 976                                    |
|                       | <hr/>                                | <hr/>                                  |

# BYTES TECHNOLOGY GROUP LIMITED

Notes forming part of the financial statements for the period ended 29 February 2000 (*Continued*)

## 17 Pension costs

The total contributions paid in the year amounted to £1,344 (1998: £4,568).

## 18 Subsidiary undertakings

| Name of company                    | Country of registration (of incorporation and operation) | Holding               | Proportion of voting rights and share held | Nature of business |
|------------------------------------|----------------------------------------------------------|-----------------------|--------------------------------------------|--------------------|
| Pure Licencing Limited             | UK                                                       | 2 £1 ordinary shares  | 100%                                       | Dormant            |
| Ec-Co UK Ilimited                  | UK                                                       | 2 £1 ordinary shares  | 100%                                       | Dormant            |
| Bytes Technology Training Limited  | UK                                                       | 99 £1 ordinary shares | 99%                                        | Dormant            |
| Bytes Technology Solutions Limited | UK                                                       | 1 £1 ordinary share   | 100%                                       | Dormant            |

## 19 Reconciliation of shareholders' funds

|                                     | At<br>29 February<br>2000<br>£'000 | At<br>30 September<br>1999<br>£'000 |
|-------------------------------------|------------------------------------|-------------------------------------|
| Profit for the financial period     | 102                                | 1,287                               |
| Dividends                           | -                                  | 881                                 |
|                                     | <hr/>                              | <hr/>                               |
| Issue of share capital              | 102                                | 406                                 |
|                                     | -                                  | 474                                 |
|                                     | <hr/>                              | <hr/>                               |
| Increase in the shareholders' funds | 102                                | 880                                 |
| Opening shareholders' funds         | 1,460                              | 580                                 |
|                                     | <hr/>                              | <hr/>                               |
| Closing shareholders funds          | 1,562                              | 1,460                               |
|                                     | <hr/>                              | <hr/>                               |

# BYTES TECHNOLOGY GROUP LIMITED

Notes forming part of the financial statements for the period ended 29 February 2000 (Continued)

## 21 Operating leases

|                                                   | At<br>29 February<br>2000<br>£'000 |
|---------------------------------------------------|------------------------------------|
| Operating leases for motor vehicles which expire: |                                    |
| - within one year                                 | 47                                 |
| - 2-5 years                                       | 77                                 |
|                                                   | <hr/>                              |
|                                                   | 124                                |
|                                                   | <hr/>                              |

## 22 Deferred taxation

The movements in deferred taxation during the current and previous periods are as follows:

The unprovided amount at the balance sheet date is calculated using a tax rate of 30% (1999: 31%).

|                                | Amount unprovided                  |                                    |
|--------------------------------|------------------------------------|------------------------------------|
|                                | At<br>29 February<br>2000<br>£'000 | At<br>29 February<br>1999<br>£'000 |
| Accelerated capital allowances | 171                                | 40                                 |
|                                | <hr/>                              | <hr/>                              |

## 23 Ultimate parent company

At 29 February 2000 the company's parent company was USKO (UK) Limited, a company incorporated in the United Kingdom. The ultimate parent company is USKO Limited, a company incorporated in the Republic of South Africa.

## 24 Related party transactions

Advantage has been taken of the exemption provided in Financial Reporting Standard 8 from disclosing details of transactions with USKO Limited and its subsidiaries.