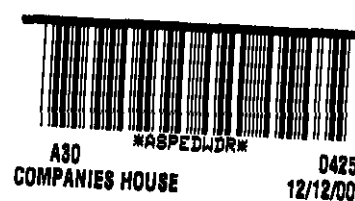


**BITE COMMUNICATIONS LIMITED**  
**(Registered number: 3023521)**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 2000**



# BITE COMMUNICATIONS LIMITED

## REPORT OF THE DIRECTORS

### FOR THE YEAR ENDED 31 JULY 2000

The directors present their report together with the audited financial statements of Bite Communications Limited ("the Company") for the year ended 31 July 2000.

#### PRINCIPAL ACTIVITY

The principal activity of the Company during the year was the provision of international public and press relations services, dealing principally with clients in the high-technology sector.

#### REVIEW OF BUSINESS

The state of the Company's affairs at the balance sheet date was satisfactory. The directors are pleased to report a profit for the year. They are confident that this performance will be maintained and improved upon in future years.

#### DIVIDENDS

The directors recommend the payment of a final dividend for the year of 8p per share (1999: 8p) and the retained profit of £308,784 (1999: £163,819) has been transferred to reserves.

#### DIRECTORS AND THEIR INTERESTS

The directors and their interests in the shares of the Company were:

|            | Date Appointed | Ordinary shares of 5p<br>Each at 31 July 2000 | Ordinary shares of 5p<br>Each at 31 July 1999 |
|------------|----------------|-----------------------------------------------|-----------------------------------------------|
| T W Lewis  | -              | Nil                                           | Nil                                           |
| M Ravden   | -              | Nil                                           | Nil                                           |
| C Armitage | -              | 75,000                                        | 75,000                                        |
| S Seitz    | 2 August 1999  | Nil                                           | Nil                                           |

The following directors have been appointed since the year end date:

|            | Date Appointed | Ordinary shares of 5p<br>Each at 31 July 2000 | Ordinary shares of 5p<br>Each at 31 July 1999 |
|------------|----------------|-----------------------------------------------|-----------------------------------------------|
| I Kirk     | 1 August 2000  | Nil                                           | Nil                                           |
| J Wilks    | 11 August 2000 | Nil                                           | Nil                                           |
| H Macphail | 24 August 2000 | Nil                                           | Nil                                           |

At 31 July 2000, C Armitage owned 1,250 (31 July 1999: 1,250) ordinary shares of 5p each in OneMonday Group plc, the ultimate parent undertaking. The interests of the other directors in the shares of OneMonday Group plc, the parent undertaking, are disclosed in the directors' report of that company.

At 31 July 2000, the following directors held options to purchase 5p ordinary shares in the Company :

|            | Date granted | Number of share options | Exercise price / share | Unexercised share options at 1 August 1999 | Unexercised share options at 31 July 2000 |
|------------|--------------|-------------------------|------------------------|--------------------------------------------|-------------------------------------------|
| C Armitage | 30.1.1998    | 6,200                   | 62p                    | 6,200                                      | 6,200                                     |
| C Armitage | 5.4.1999     | 40,000                  | 77p                    | 40,000                                     | 40,000                                    |
| S Seitz    | 30.1.1998    | 6,200                   | 62p                    | 6,200                                      | 6,200                                     |
| S Seitz    | 3.4.2000     | 8,000                   | 150p                   | -                                          | 8,000                                     |

The share options become exercisable on the following dates :

- The first one third of the total number granted on the third anniversary of the date of granting;
- The second one third of the total number granted on the fourth anniversary of the date of granting; and
- The final one third of the total number granted on the fifth anniversary of the date of granting.

# **BITE COMMUNICATIONS LIMITED**

## **REPORT OF THE DIRECTORS**

### **FOR THE YEAR ENDED 31 JULY 2000 (continued)**

#### **DIRECTORS AND THEIR INTERESTS (continued)**

The share options held by the director cannot be exercised after the earlier of one of the following events:

- 12 months after the death of the director;
- One month after the date on which a Court sanctions an arrangement under s.425 of the Companies Act 1985;
- The date of cessation of the director's employment by the Group; or
- 10 years after the date on which the share options were granted.

The shares of the Company are not openly traded and as such do not have a market price.

The directors have no other interests in the shares or debentures of the Company such as would be required to be disclosed by the Companies Act 1985.

#### **CHARITABLE DONATIONS**

During the year the Company made charitable donations of £420 (1999 : £620) to the Charities Aid Foundation under a Give As You Earn scheme.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year 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:

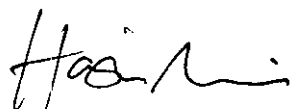
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare 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.

#### **AUDITORS**

A resolution at the Annual General Meeting appointed Deloitte & Touche as auditors in accordance with Section 385 (2) of the Companies Act 1985. Deloitte & Touche have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

By Order of the Board



H MACPHAIL  
Director  
4 December 2000

## AUDITORS REPORT TO THE MEMBERS OF BITE COMMUNICATIONS LIMITED

We have audited the financial statements on pages 4 to 13 which have been prepared under the accounting policies set out on pages 6 and 7.

### Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. 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 United Kingdom 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 affairs of the Company as at 31 July 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche  
Chartered Accountants and Registered Auditors  
Hill House  
1 Little New Street  
London  
EC4A 3TR

4 December 2000

**BITE COMMUNICATIONS LIMITED**

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 JULY 2000**

|                                                         | Year<br>Ended<br>31 July 2000<br>£ | Year<br>Ended<br>31 July 1999<br>£ |
|---------------------------------------------------------|------------------------------------|------------------------------------|
| <b>TURNOVER</b> (Note 1)                                | 3,685,849                          | 2,328,648                          |
| Other external charges                                  | <u>(688,442)</u>                   | <u>(374,869)</u>                   |
| <b>TURNOVER LESS OTHER EXTERNAL CHARGES</b>             | 2,997,407                          | 1,953,779                          |
| Wages and salaries                                      | 1,426,684                          | 815,451                            |
| Social security costs                                   | 143,271                            | 82,934                             |
| Other pension contributions                             | 34,751                             | 15,602                             |
| Depreciation                                            | 93,107                             | 63,305                             |
| Other operating charges                                 | <u>632,185</u>                     | <u>578,803</u>                     |
|                                                         | <u>(2,329,998)</u>                 | <u>(1,556,095)</u>                 |
| <b>OPERATING PROFIT</b> (Note 3)                        | 667,409                            | 397,684                            |
| Interest payable and similar charges (Note 5)           | <u>(1,879)</u>                     | <u>(5,553)</u>                     |
| <b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>    | 665,530                            | 392,131                            |
| Tax on profit on ordinary activities (Note 6)           | <u>(226,686)</u>                   | <u>(108,312)</u>                   |
| <b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>     | 438,844                            | 283,819                            |
| Dividends (Note 7)                                      | <u>(130,060)</u>                   | <u>(120,000)</u>                   |
| <b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b> (Note 14) | <u>308,784</u>                     | <u>163,819</u>                     |

**NOTE OF HISTORICAL COST PROFITS AND LOSSES**

There are no differences between the profit stated on an historical cost basis and the profit as presented above.

**STATEMENT OF RECOGNISED GAINS AND LOSSES**

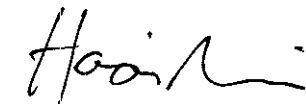
The profit for the financial year includes all recognised gains and losses in the year and relates to the continuing activities of the Company.

The accompanying notes on pages 6 to 13 form an integral part of these financial statements.

**BITE COMMUNICATIONS LIMITED****BALANCE SHEET****AS AT 31 JULY 2000**

|                                                                           | <u>2000</u><br>£  | <u>1999</u><br>£ |
|---------------------------------------------------------------------------|-------------------|------------------|
| <b>FIXED ASSETS</b>                                                       |                   |                  |
| Tangible assets (Note 8)                                                  | 221,071           | 218,813          |
| Investments (Note 9)                                                      | 51,599            | 50,950           |
|                                                                           | <hr/> 272,670     | <hr/> 269,763    |
| <b>CURRENT ASSETS</b>                                                     |                   |                  |
| Debtors (Note 10)                                                         | 1,744,998         | 813,275          |
| Cash at bank and in hand                                                  | -                 | 196,353          |
|                                                                           | <hr/> 1,744,998   | <hr/> 1,009,628  |
| <b>CREDITORS – Amounts falling due within one year (Note 11)</b>          | <hr/> (1,286,767) | <hr/> (851,246)  |
| <b>NET CURRENT ASSETS</b>                                                 | <hr/> 458,231     | <hr/> 158,382    |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                              | 730,901           | 428,145          |
| <b>CREDITORS – Amounts falling due after more than one year (Note 12)</b> | (55,370)          | (61,398)         |
|                                                                           | <hr/>             | <hr/>            |
| <b>NET ASSETS</b>                                                         | <hr/> 675,531     | <hr/> 366,747    |
| <b>CAPITAL AND RESERVES</b>                                               |                   |                  |
| Called up share capital (Note 13)                                         | 50,000            | 50,000           |
| Reserves (Note 14)                                                        | 625,531           | 316,747          |
|                                                                           | <hr/>             | <hr/>            |
| <b>TOTAL EQUITY SHAREHOLDERS' FUNDS (Note 15)</b>                         | <hr/> 675,531     | <hr/> 366,747    |

APPROVED BY THE BOARD ON  
4 DECEMBER 2000



H MACPHAIL  
DIRECTOR

The accompanying notes on pages 6 to 13 form an integral part of these financial statements.

# **BITE COMMUNICATIONS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2000**

### **1 ACCOUNTING POLICIES**

The Company's financial statements are prepared in accordance with applicable accounting standards. The principal accounting policies are as follows:

#### **(1) Basis of accounting**

The financial statements are prepared under the historical cost convention. The Company has taken advantage of s.228 of the Companies Act 1985 and have not prepared Group accounts. Consequently these financial statements contain information about the Company only and not its Group.

#### **(2) Turnover**

Turnover represents the invoiced value of services supplied including accrued income excluding all sales taxes after adjusting for any change in the level of accrued income during the year.

#### **(3) Accrued income**

Accrued income is valued on the basis of the cost of services provided up to the balance sheet date and not yet invoiced. Profit is taken on all work completed by that date. Provision is made for the full amount of foreseeable losses.

#### **(4) Depreciation**

Depreciation is provided on all tangible fixed assets, at annual rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life as follows:

|                          |                                              |
|--------------------------|----------------------------------------------|
| Short leasehold property | Depreciated over minimum length of the lease |
| Office furniture         | 20% per annum straight line                  |
| Motor vehicles           | 25% per annum straight line                  |
| Office equipment         | 33% per annum straight line                  |

#### **(5) Foreign currencies**

Assets and liabilities denominated in foreign currencies are expressed in sterling at the rate of exchange ruling at the balance sheet date. Foreign currency transactions are expressed in sterling at the rate of exchange ruling at the date of the transaction. Exchange gains and losses and translation differences are taken directly to the profit and loss account.

#### **(6) Deferred taxation**

Deferred taxation is provided in full on timing differences relating to pension and other post retirement benefits calculated at the rates at which it is expected that tax will arise. Deferred taxation is provided on other timing differences, arising from the different treatment of items for accounting and taxation purposes, which are expected to reverse in the future without replacement, calculated at the rates at which it is expected that tax will arise.

#### **(7) Pension costs**

Pension costs, which relate to payments to employees' own defined contribution pension plans, are charged to the profit and loss account as incurred.

#### **(8) Hire purchase and leasing transactions**

Assets financed by hire purchase agreements are included in the balance sheet at cost, less accumulated depreciation. The interest element on these obligations is charged to the profit and loss account using the sum of the digits method so as to achieve a constant interest rate over the life of each agreement. Operating lease rentals are charged to the profit and loss account as incurred.

# BITE COMMUNICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2000 (continued)

### 1 ACCOUNTING POLICIES (continued)

#### (9) Investments

Fixed asset investments and investments in group undertakings are stated at cost less provisions for permanent impairment in value.

### 2 TURNOVER

All of the Company's turnover arises from the provision of public relations consultancy services within Europe.

### 3 OPERATING PROFIT

|                                               | Year<br>Ended<br>31 July 2000<br>£ | Year<br>Ended<br>31 July 1999<br>£ |
|-----------------------------------------------|------------------------------------|------------------------------------|
| Operating profit is stated after charging :-  |                                    |                                    |
| Auditors' remuneration: Audit services        | 9,000                              | 7,200                              |
| Tax services                                  | 1,000                              | -                                  |
| Depreciation of tangible fixed assets : Owned | 93,107                             | 63,304                             |
| Profit on disposal of tangible fixed assets   | (12,794)                           | (5,238)                            |
| Operating lease rentals : Land and buildings  | 120,590                            | 136,169                            |
| Operating lease income                        | (22,833)                           | (42,299)                           |
| Foreign exchange (gains)                      | (13,296)                           | (915)                              |

### 4 STAFF COSTS

|                                                                | Year<br>Ended<br>31 July 2000<br>No. | Year<br>Ended<br>31 July 1999<br>No. |
|----------------------------------------------------------------|--------------------------------------|--------------------------------------|
| The average number of employees during the year was as follows |                                      |                                      |
| Directors                                                      | 4                                    | 3                                    |
| Direct PR                                                      | 37                                   | 24                                   |
| Administration                                                 | 7                                    | 4                                    |
|                                                                | 48                                   | 31                                   |

#### Directors' emoluments

|                                                       | Year<br>Ended<br>31 July 2000<br>£ | Year<br>Ended<br>31 July 1999<br>£ |
|-------------------------------------------------------|------------------------------------|------------------------------------|
| Aggregate emoluments                                  | 221,227                            | 133,393                            |
| Company contributions to defined contribution schemes | 3,000                              | 4,300                              |
|                                                       | 224,227                            | 137,693                            |

# BITE COMMUNICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2000 (continued)

### 4 STAFF COSTS (continued)

#### Directors' emoluments (continued)

The number of directors to whom retirement benefits are accruing is:

|                              | Year<br>Ended<br>31 July 2000<br>No | Year<br>Ended<br>31 July 1999<br>No |
|------------------------------|-------------------------------------|-------------------------------------|
| Defined contribution schemes | 1                                   | 1                                   |

Matthew Ravden and Tom Lewis are also directors of the ultimate parent company, OneMonday Group Plc ("Group" – Note 17), and are also directors of a number of other group companies. The directors received total emoluments of £287,000 (1999: £190,000) from the Group during the year, but it is not practicable to allocate this between their services as directors of the group and as directors of the group companies. Included within this amount are amounts accruing under individual pension schemes for their services to the Group.

### 5 INTEREST PAYABLE AND SIMILAR CHARGES

|                        | Year<br>Ended<br>31 July 2000<br>£ | Year<br>Ended<br>31 July 1999<br>£ |
|------------------------|------------------------------------|------------------------------------|
| Bank charges           | 1,332                              | 110                                |
| Other interest payable | 547                                | 5,443                              |
|                        | 1,879                              | 5,553                              |

### 6 TAX ON PROFIT ON ORDINARY ACTIVITIES

|                                           | Year<br>Ended<br>31 July 2000<br>£ | Year<br>Ended<br>31 July 1999<br>£ |
|-------------------------------------------|------------------------------------|------------------------------------|
| UK corporation tax at 30% (1999 : 30.67%) | 221,609                            | 119,800                            |
| Prior year under / (over) provision       | 5,077                              | (11,488)                           |
|                                           | 226,686                            | 108,312                            |

# BITE COMMUNICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2000 (continued)

### 7 DIVIDENDS

|                                                                               | Year<br>Ended<br>31 July 2000<br>£ | Year<br>Ended<br>31 July 1999<br>£ |
|-------------------------------------------------------------------------------|------------------------------------|------------------------------------|
| Interim dividend of 6p per 5p ordinary share (1999: 4p per 5p ordinary share) | 55,740                             | 40,000                             |
| Final dividend of 8p per 5p ordinary share (1999: 8p per 5p ordinary share)   | 74,320                             | 80,000                             |
|                                                                               | <u>130,060</u>                     | <u>120,000</u>                     |

### 8 TANGIBLE FIXED ASSETS

|                        | Short Leasehold<br>Premises<br>£ | Office<br>Equipment<br>£ | Office<br>Furniture<br>£ | Motor<br>Vehicles<br>£ | Total<br>£     |
|------------------------|----------------------------------|--------------------------|--------------------------|------------------------|----------------|
| <b>COST</b>            |                                  |                          |                          |                        |                |
| At 1 August 1999       | 46,127                           | 195,683                  | 81,525                   | 32,492                 | 355,827        |
| Additions              | -                                | 56,692                   | 33,375                   | 6,939                  | 97,006         |
| Disposals              | -                                | -                        | -                        | (24,750)               | (24,750)       |
| At 31 July 2000        | <u>46,127</u>                    | <u>252,375</u>           | <u>114,900</u>           | <u>14,681</u>          | <u>428,083</u> |
| <b>DEPRECIATION</b>    |                                  |                          |                          |                        |                |
| At 1 August 1999       | 6,150                            | 88,298                   | 22,968                   | 19,598                 | 137,014        |
| Charge for the year    | 4,613                            | 61,819                   | 19,232                   | 7,443                  | 93,107         |
| Disposals              | -                                | -                        | -                        | (23,109)               | (23,109)       |
| At 31 July 2000        | <u>10,763</u>                    | <u>150,117</u>           | <u>42,200</u>            | <u>3,932</u>           | <u>207,012</u> |
| <b>NET BOOK AMOUNT</b> |                                  |                          |                          |                        |                |
| As at 31 July 2000     | <u>35,364</u>                    | <u>102,258</u>           | <u>72,700</u>            | <u>10,749</u>          | <u>221,071</u> |
| As at 31 July 1999     | <u>39,977</u>                    | <u>107,385</u>           | <u>58,557</u>            | <u>12,894</u>          | <u>218,813</u> |

The net book amount of tangible fixed assets includes £3,700 (1999: £7,004 ) in respect of assets held under hire purchase contracts.

# BITE COMMUNICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2000 (continued)

### 9 INVESTMENTS

|  | Year<br>Ended<br>31 July 2000<br>£ |
|--|------------------------------------|
|--|------------------------------------|

#### INVESTMENTS IN OWN SHARES

|                                        |        |
|----------------------------------------|--------|
| Cost at 1 August 1999 and 31 July 2000 | 50,950 |
| Nominal value of own shares is 5p      |        |

#### SHARES IN GROUP UNDERTAKINGS

|                  |     |
|------------------|-----|
| At 1 August 1999 | -   |
| Additions        | 649 |

|                 |     |
|-----------------|-----|
| At 31 July 2000 | 649 |
|-----------------|-----|

#### SUBSIDIARY UNDERTAKINGS:

Directly held

| Name                     | Country of<br>Incorporation | Cost of<br>Investment<br>at 31 July 2000<br>£ | Cost of<br>Investment<br>at 31 July 1999<br>£ | % voting rights<br>held by<br>Company |
|--------------------------|-----------------------------|-----------------------------------------------|-----------------------------------------------|---------------------------------------|
| Bite Communications Corp | USA                         | 648                                           | -                                             | 100                                   |
| Bullet Online Ltd        | England                     | 1                                             | -                                             | 100                                   |
| Total                    |                             | 649                                           | -                                             |                                       |

Bite Communications Corp was incorporated on 12 August 1999. This Company provides public relations advice.

Kingley Consultants Ltd was incorporated on 13 January 2000 and changed its name on 10 March 2000 to become Bullet Online Ltd. This Company does not currently trade.

The directors consider the value of investments in subsidiary undertakings to be not less than that stated in the balance sheet of the Company.

# BITE COMMUNICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2000 (continued)

### 10 DEBTORS

|                                   | <u>2000</u><br>£ | <u>1999</u><br>£ |
|-----------------------------------|------------------|------------------|
| Trade debtors                     | 935,860          | 252,244          |
| Other debtors                     | 18,950           | 7,301            |
| Prepayments and accrued income    | 226,640          | 358,500          |
| Amounts owed by fellow subsidiary | 563,548          | 195,230          |
|                                   | <hr/>            | <hr/>            |
|                                   | 1,744,998        | 813,275          |
|                                   | <hr/>            | <hr/>            |

### 11 CREDITORS: Amounts falling due within one year

|                                                   | <u>2000</u><br>£ | <u>1999</u><br>£ |
|---------------------------------------------------|------------------|------------------|
| Bank overdraft                                    | 10,580           | -                |
| Obligations under hire purchase contracts         | 3,640            | 3,305            |
| Trade creditors                                   | 106,040          | 36,550           |
| Amounts due to parent undertaking                 | 224,218          | 83,000           |
| Amounts due to fellow subsidiary                  | 146,824          | 100,908          |
| Other creditors including tax and social security | 277,754          | 174,724          |
| Accruals and deferred income                      | 198,411          | 198,589          |
| Dividends                                         | 319,300          | 254,170          |
|                                                   | <hr/>            | <hr/>            |
|                                                   | 1,286,767        | 851,246          |
|                                                   | <hr/>            | <hr/>            |

The bank overdraft is secured by a fixed and floating charge over the Company's assets.  
The obligations under hire purchase contracts are secured on the assets concerned.

### 12 CREDITORS: Amounts falling due after more than one year

|                                           | <u>2000</u><br>£ | <u>1999</u><br>£ |
|-------------------------------------------|------------------|------------------|
| Obligations under hire purchase contracts | -                | 3,092            |
| Accruals and deferred income              | 4,420            | 7,356            |
| Amounts owed to fellow subsidiary         | 50,950           | 50,950           |
|                                           | <hr/>            | <hr/>            |
|                                           | 55,370           | 61,398           |
|                                           | <hr/>            | <hr/>            |

The obligations under hire purchase contracts are secured on the assets concerned and are all repayable within two years.

# BITE COMMUNICATIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2000 (continued)

### 13 CALLED UP SHARE CAPITAL

| At 1 August 1999 and at 31 July 2000 :                                            | <u>2000</u><br>£ | <u>1999</u><br>£ |
|-----------------------------------------------------------------------------------|------------------|------------------|
| <b>Authorised</b>                                                                 |                  |                  |
| 1,000,000 ordinary shares of 5p each (1999: 1,000,000 ordinary shares of 5p each) | 50,000           | 50,000           |
| <b>Allotted, called up and fully paid</b>                                         | <u>£</u>         | <u>£</u>         |
| 1,000,000 ordinary shares of 5p each (1999: 1,000,000 ordinary shares of 5p each) | 50,000           | 50,000           |

### 14 RESERVES

|                              | <u>2000</u><br>Profit<br>& loss<br>Account<br>£ |
|------------------------------|-------------------------------------------------|
| Opening balance              | 316,747                                         |
| Retained profit for the year | <u>308,784</u>                                  |
| Closing balance              | <u>625,531</u>                                  |

### 15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

|                                     | <u>2000</u><br>£ | <u>1999</u><br>£ |
|-------------------------------------|------------------|------------------|
| Profit after taxation for the year  | 438,844          | 283,819          |
| Dividends                           | <u>(130,060)</u> | <u>(120,000)</u> |
| Net addition to shareholders' funds | 308,784          | 163,819          |
| Opening shareholders' funds         | 366,747          | 202,928          |
| Closing shareholders' funds         | <u>675,531</u>   | <u>366,747</u>   |

### 16 RELATED PARTIES

The Company has taken advantage of paragraph 3 of Financial Reporting Standard 8 - Related Party Disclosures, in not disclosing transactions with group undertakings as more than 90 percent of its shares are controlled within the group which is headed by OneMonday Group plc as described in note 17 below.

## **BITE COMMUNICATIONS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2000 (continued)**

#### **17 OPERATING LEASE COMMITMENTS**

The Company has entered into operating leases and has annual commitments under these expiring as follows:

|                            | 2000                  | 1999                  |
|----------------------------|-----------------------|-----------------------|
|                            | Land and<br>Buildings | Land and<br>Buildings |
|                            | £                     | £                     |
| Within one year            | -                     | -                     |
| Between one and five years | 103,600               | 103,600               |

#### **18 EMPLOYEE SHARE OWNERSHIP PLAN TRUST (ESOP)**

The Company formed an Employee Share Ownership Plan Trust (ESOP) during the year ended 31 July 1998.

The purpose of the ESOP is to enable the Company to offer participation in the ownership of its shares to its employees principally as a reward and incentive scheme.

Arrangements for the distribution of benefits to employees which may be the ownership of shares in the Company or the granting of options over shares in the Company held by the ESOP are made at the ESOP's discretion in such manner as the ESOP considers appropriate.

Administration costs of the ESOP are accounted for in the profit and loss account of the Company as they are incurred.

At 31 July 2000 the ESOP held 71,000 Ordinary shares of 5p each in the Company. 24,800 of these shares were purchased by the ESOP on 30 January 1998 from Bite Staff Incentives Limited, a fellow subsidiary, at a cost of 62p per share being a total of £15,376. A further 46,200 shares were purchased by the ESOP on 5 April 1999 from Bite Staff Incentives Limited at a cost of 77p per share being a total of £35,574. Both purchases were financed by way of a long term loan from Bite Staff Incentives Limited for £50,950. The right to receive dividends on those shares was not waived.

At 31 July 2000 options over 87,000 shares had been granted to employees of the Company by the ESOP.

#### **19 IMMEDIATE AND ULTIMATE PARENT COMPANY**

The immediate and ultimate parent undertaking is OneMonday Group plc which is incorporated in Great Britain and registered in England and Wales. The consolidated financial statements of OneMonday Group plc are available to the public and can be obtained from Network House, Wood Lane, London W12 7SL.