

Registration Number 3996945

J D Telecom UK Limited
Directors' Report and Financial Statements
for the year ended 31 May 2002



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J D Telecom UK Limited

Company Information

Director	Joga Singh Garcha
Secretary	Mr Dalbir Singh Hayer
Company Number	3996945
Registered Office	Unit 10,Business Technology Centre Pounds Road Oldbury West Midlands B68 8NE
Accountants	Comprehensive Management Consultants 1st Floor 266-272 High Street Smethwick West Midlands B66 3NL
Business Address	Unit 10,Business Technology Centre Pounds Road Oldbury West Midlands B68 8NE
Bankers	Natwest Bank Plc 34 High Street Smethwick West Midlands B66 1DU

J D Telecom UK Limited

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J D Telecom UK Limited

**Directors' Report
for the year ended 31 May 2002**

The directors present his report and the financial statements for the year ended 31 May 2002.

Principal Activity and Review of the Business

The principal activity of the company is the sale of telephone cards.

Director and his Interest

The director who served during the year and his interest in the company are as stated below:

	Ordinary shares	
	2002	2001
	or date of appointment	
Joga Singh Garcha	1	1

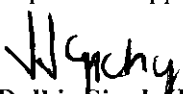
Directors' Responsibilities

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

- select suitable accounting policies and 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 him to ensure that the financial statements comply with the Companies Act 1985. He 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.

This report was approved by the Board on 12 October 2002 and signed on its behalf by


Mr Dalbir Singh Hayer
Secretary

J D Telecom UK Limited

**Profit and Loss Account
for the year ended 31 May 2002**

		2002	2001
	Notes	£	£
Turnover	2	4,914,967	3,553,896
Cost of sales		(4,735,944)	(3,398,977)
Gross profit		179,023	154,919
Distribution costs		(216)	-
Administrative expenses		(86,468)	(117,345)
Operating profit	3	92,339	37,574
Interest payable and similar charges	4	(7,654)	(2,162)
Profit on ordinary activities before taxation		84,685	35,412
Tax on profit on ordinary activities	6	(15,000)	(7,580)
Retained profit for the year		69,685	27,832
Retained profit brought forward		27,832	-
Retained profit carried forward		97,517	27,832

The notes on pages 4 to 7 form an integral part of these financial statements.

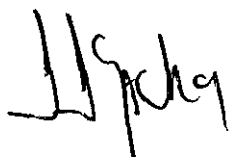
J D Telecom UK Limited

**Balance Sheet
as at 31 May 2002**

		2002		2001	
	Notes	£	£	£	£
Fixed Assets					
Tangible assets	7		24,459		22,276
Current Assets					
Stocks	8	147,411		154,500	
Debtors	9	230,519		134,218	
Cash at bank and in hand		31,116		20,000	
		<u>409,046</u>		<u>308,718</u>	
Creditors: amounts falling due within one year	10	<u>(308,413)</u>		<u>(283,029)</u>	
Net Current Assets			<u>100,633</u>		<u>25,689</u>
Total Assets Less Current Liabilities			125,092		47,965
Creditors: amounts falling due after more than one year	11		<u>(27,573)</u>		<u>(20,131)</u>
Net Assets			<u><u>97,519</u></u>		<u><u>27,834</u></u>
Capital and Reserves					
Called up share capital	12		2		2
Profit and loss account			<u>97,517</u>		<u>27,832</u>
Shareholders' Funds			<u><u>97,519</u></u>		<u><u>27,834</u></u>

The financial statements were approved by the Board on 12 October 2002 and signed on its behalf by

Joga Singh Garcha
Director



The notes on pages 4 to 7 form an integral part of these financial statements.

J D Telecom UK Limited

Notes to the Financial Statements for the year ended 31 May 2002

1. Accounting Policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment	- 25% Straight Line
Motor vehicles	- 25% Straight Line

1.4. Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

1.5. Stock

Stock is valued at the lower of cost and net realisable value.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

Class of business

Sale of phone cards	4,914,967	3,553,896
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Geographical market

UK	4,914,967	3,553,896
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3. Operating profit

Operating profit is stated after charging:

Depreciation and other amounts written off tangible assets	2002 £ 7,710	2001 £ 7,840
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J D Telecom UK Limited

**Notes to the Financial Statements
for the year ended 31 May 2002**

..... continued

4. Interest payable and similar charges	2002	2001
	£	£
On loans and overdrafts	5,137	1,829
On loans repayable in five years or more	649	333
Hire purchase interest	1,868	-
	<u>7,654</u>	<u>2,162</u>
 5. Employees		
Number of employees		
The average monthly numbers of employees (including the directors) during the year were:		
	2002	2001
	<u>3</u>	<u>3</u>
 Employment costs	2002	2001
	£	£
Wages and salaries	<u>25,605</u>	<u>19,103</u>
 5.1. Director's emoluments		
	2002	2001
	£	£
Remuneration and other emoluments	<u>8,499</u>	<u>8,034</u>
 6. Taxation	2002	2001
	£	£
UK current year taxation		
UK Corporation Tax	<u>15,000</u>	<u>7,580</u>

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**Notes to the Financial Statements
for the year ended 31 May 2002**

..... continued

7. Tangible fixed assets

	Fixtures, fittings equipment	Motor vehicles	Total
	£	£	£
Cost			
At 1 June 2001	1,316	28,800	30,116
Additions	-	12,949	12,949
At 31 May 2002	<u>1,316</u>	<u>41,749</u>	<u>43,065</u>
Depreciation			
At 1 June 2001	342	7,498	7,840
Charge for the year	329	10,437	10,766
At 31 May 2002	<u>671</u>	<u>17,935</u>	<u>18,606</u>
Net book values			
At 31 May 2002	<u>645</u>	<u>23,814</u>	<u>24,459</u>
At 31 May 2001	<u>974</u>	<u>21,302</u>	<u>22,276</u>

8. Stocks

	2002	2001
	£	£
Goods for resale	<u>147,411</u>	<u>154,500</u>

9. Debtors

	2002	2001
	£	£
Trade debtors	228,197	127,634
Other debtors	1,421	3,694
Prepayments and accrued income	901	2,890
	<u>230,519</u>	<u>134,218</u>

J D Telecom UK Limited

**Notes to the Financial Statements
for the year ended 31 May 2002**

..... continued

10. Creditors: amounts falling due within one year	2002	2001
	£	£
Bank overdraft	140,560	98,564
Net obligations under finance leases and hire purchase contracts	2,616	8,409
Trade creditors	127,537	136,433
Corporation tax	15,000	7,580
Other taxes and social security costs	1,681	2,322
Director's accounts	15,279	23,074
Other creditors	381	-
Accruals and deferred income	5,359	6,647
	<u>308,413</u>	<u>283,029</u>
11. Creditors: amounts falling due after more than one year	2002	2001
	£	£
Bank loan	5,277	4,420
Net obligations under finance leases and hire purchase contracts	22,296	15,711
	<u>27,573</u>	<u>20,131</u>
12. Share capital	2002	2001
	£	£
Authorised		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

J D Telecom UK Limited

**Detailed Trading and Profit and Loss Account
for the year ended 31 May 2002**

	2002		2001	
	£	£	£	£
Sales		4,914,967		3,553,896
Cost of sales				
Opening stock	154,500		-	
Purchases	4,728,855		3,548,968	
Printing	-		4,509	
	<u>4,883,355</u>		<u>3,553,477</u>	
Closing stock	<u>(147,411)</u>		<u>(154,500)</u>	
		<u>(4,735,944)</u>		<u>(3,398,977)</u>
Gross profit	4%	179,023	4%	154,919
Distribution costs	216		-	
Administrative expenses	<u>86,468</u>		<u>117,345</u>	
		<u>(86,684)</u>		<u>(117,345)</u>
Operating profit	2%	92,339	1%	37,574
Other income and expenses				
Interest payable				
Bank interest	5,137		1,829	
Interest on loans repayable in more than 5 years	649		333	
HP interest and fin. lease charges	<u>1,868</u>		<u>-</u>	
		<u>(7,654)</u>		<u>(2,162)</u>
Net profit for the year		<u><u>84,685</u></u>		<u><u>35,412</u></u>

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**Distribution costs and Administrative expenses
for the year ended 31 May 2002**

	2002	2001
	£	£
Distribution costs		
Carriage outwards	216	-
	<u>216</u>	<u>-</u>
Administrative expenses		
Wages and N.I.	17,106	11,069
Directors' remuneration	8,499	8,034
Rent payable	3,051	2,165
Insurance	1,000	608
Repairs and maintenance	100	97
Printing, postage and stationery	4,889	402
Advertising	-	1,841
Telephone expenses	3,448	2,033
Software costs	553	-
Motor expenses	10,810	6,689
Entertaining	2,500	-
Accountancy fees	5,680	5,100
Bank charges	8,480	4,071
Loss of cash and stock due to robbery	-	60,000
Doubtful debts	10,000	6,000
General expenses	2,642	1,396
Depreciation	7,710	7,840
	<u>86,468</u>	<u>117,345</u>