

DEBT CONNECT (U.K.) LIMITED

Abbreviated Financial Statements
for the Year Ended 31 October 2004

Moffatt and Company
Chartered Accountants
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M20 3BN



DEBT CONNECT (U.K.) LIMITED

Balance Sheet as at 31 October 2004

		2004	2003
	Note	£	£
Fixed assets			
Tangible assets	2	21,797	29,062
Current assets			
Debtors		23,646	16,548
Cash at bank and in hand		5,372	4,525
		<u>29,018</u>	<u>21,073</u>
Creditors: Amounts falling due within one year		<u>(80,868)</u>	<u>(74,629)</u>
Net current liabilities		<u>(51,850)</u>	<u>(53,556)</u>
Total assets less current liabilities		<u>(30,053)</u>	<u>(24,494)</u>
Creditors: Amounts falling due after more than one year		<u>(166,807)</u>	<u>(214,037)</u>
		<u>(196,860)</u>	<u>(238,531)</u>
Capital and reserves			
Called up share capital	3	100,000	100,000
Profit and loss reserve		<u>(296,860)</u>	<u>(338,531)</u>
Shareholders deficit		<u>(196,860)</u>	<u>(238,531)</u>

For the financial year ended 31 October 2004, the company was entitled to exemption from audit under section 249A(1) of the Companies Act 1985; and no notice has been deposited under section 249B(2) requesting an audit. The director acknowledges his responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Act and preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the year and of its profit or loss for the financial year in accordance with the requirements of section 226 and which otherwise comply with the Companies Act 1985, so far as applicable to the company.

The abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These accounts were approved by the Director on 26 August 2005

Mr P.K. Sharma
Director

DEBT CONNECT (U.K.) LIMITED

Notes to the Abbreviated Financial Statements for the Year Ended 31 October 2004

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Cash flow statement

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirements to prepare such a statement.

Going concern

Year end liabilities exceeded assets by £ 196,861 (2003 £ 238,531). The directors have therefore considered the validity of preparing accounts on the going concern basis. The directors have considered the current financing of the business and are firmly of the opinion that the business can rely on support from bankers and directors. The directors are of the opinion that this position will not change in the next twelve months and therefore accounts have been prepared on a going concern basis.

Turnover

Turnover represents the invoiced value of sales of goods, net of value added tax.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Fixtures and fittings	25% reducing balance per annum
Office equipment	25% reducing balance per annum

Hire purchase and finance lease contracts

Assets held under hire purchase and finance lease contracts are capitalised and depreciated in line with the company's depreciation policy. The finance costs relating to the obligation are charged to the profit and loss account on a systematic basis over the life of the relevant contract.

2 Fixed assets

	Tangible assets £
Cost	
As at 1 November 2003 and 31 October 2004	39,271
Depreciation	
As at 1 November 2003	10,209
Charge for the year	7,265
As at 31 October 2004	17,474
Net book value	
As at 31 October 2004	21,797
As at 31 October 2003	29,062

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Notes to the Abbreviated Financial Statements for the Year Ended 31 October 2004

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3 Share capital

	2004 £	2003 £
Authorised		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>