

DEBT CONNECT (U.K.) LIMITED

Abbreviated Accounts
for the Year Ended 31 October 2006

Moffatt and Company
Chartered Accountants
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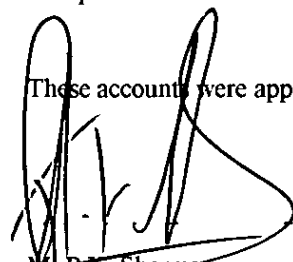
DEBT CONNECT (U.K.) LIMITED
Abbreviated Balance Sheet as at 31 October 2006

		2006	2005
	Note	£	£
Fixed assets			
Tangible assets	2	21,522	24,138
Current assets			
Debtors		101,793	55,431
Cash at bank and in hand		28,471	11,240
		<u>130,264</u>	<u>66,671</u>
Creditors: Amounts falling due within one year		<u>(91,367)</u>	<u>(97,132)</u>
Net current assets/(liabilities)		<u>38,897</u>	<u>(30,461)</u>
Total assets less current liabilities		60,419	(6,323)
Creditors: Amounts falling due after more than one year		<u>(51,900)</u>	<u>(128,000)</u>
Net assets/(liabilities)		<u>8,519</u>	<u>(134,323)</u>
Capital and reserves			
Called up share capital	3	100,000	100,000
Profit and loss reserve		<u>(91,481)</u>	<u>(234,323)</u>
Equity shareholders' funds/(deficit)		<u>8,519</u>	<u>(134,323)</u>

For the financial year ended 31 October 2006, 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 accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

These accounts were approved by the Director on 8 June 2007


M. P. K. Sharma
Director

DEBT CONNECT (U.K.) LIMITED

Notes to the abbreviated accounts for the Year Ended 31 October 2006

1 Accounting policies

Basis of preparation

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

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

These financial statements 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 finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation 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.

Assets acquired under instalment finance agreements are treated as tangible fixed assets and depreciation is provided accordingly. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract.

Operating leases

Rentals paid under operating leases are charged to the profit and loss account as incurred.

DEBT CONNECT (U.K.) LIMITED

Notes to the abbreviated accounts for the Year Ended 31 October 2006

continued

2 Fixed assets

	Tangible assets £
Cost	
As at 1 November 2005	49 714
Additions	<u>4,667</u>
As at 31 October 2006	<u>54,381</u>
Depreciation	
As at 1 November 2005	25,576
Charge for the year	<u>7,283</u>
As at 31 October 2006	<u>32,859</u>
Net book value	
As at 31 October 2006	<u>21 522</u>
As at 31 October 2005	<u>24,138</u>

3 Share capital

	2006 £	2005 £
Authorised		
Equity		
100,000 Ordinary shares of £1 each	<u>100 000</u>	<u>100 000</u>
Allotted, called up and fully paid		
Equity		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

DEBT CONNECT (U.K.) LIMITED

Notes to the abbreviated accounts for the Year Ended 31 October 2006

continued

4 Related parties

Controlling entity

Debt Connect Group PLC, a company registered in England and Wales is the ultimate and immediate parent company by virtue of ownership of 100% of the issued share capital

Related party transactions

Associated companies as registered in Wales, were as follows -

Debt Connect Group PLC - Company No 05588016 (Dormant)
Debt Connect (Manchester) Limited - Company No 04308808 (Dormant)
Debt Connect (London) Limited - Company No 05721056
Debt Connect (Birmingham) Limited - Company No 05848320
Fresh Start Debt Solutions Limited - Company No 05472909

Related parties, registered in Wales, were as follows -

Geo Finance Solutions Limited - Company No 05551091

Included in Other Debtors are loans with associated companies as follows -

Debt Connect Group PLC £29,772 (2005 £25,000)
Debt Connect (Manchester) Limited £137 (2005 £Nil)
Fresh Start Debt Solutions Limited £6,348 (2005 £Nil)

Included in Creditors Other Loans are loans with associated companies as follows -

Debt Connect (Birmingham) Limited £10,376 (2005 £Nil)

Included in Other Loans is a loan of £111,900 (2005 £164,000) from Mr S Vij who is a 27% shareholder of Debt Connect Group PLC

During the year sales and purchases were carried out with related parties during the year as follows -

Debt Connect (London) Limited - Sales £25,000 (2005 £Nil)
Debt Connect (Birmingham) Limited - Sales £25,000 (2005 £Nil)
Fresh Start Debt Solutions Limited - Sales £25,000 (2005 £Nil)
- Purchases £3 500 (2005 £Nil)
Geo Finance Solutions Limited - Sales £7,836 (2005 £Nil)
- Purchases £64 628 (2005 £Nil)

All related party transactions are carried out at arms length