

ABBREVIATED BALANCE SHEET AS AT 31ST OCTOBER 2003**NOTE**

£ 1,558	<u>FIXED ASSETS</u>	1	29,062
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	<u>CURRENT ASSETS</u>		
64,396	Debtors due in less than one year		16,548
692	Cash at Bank and in Hand		4,525
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65,088			21,073
	<u>CURRENT LIABILITIES</u>		
67,287	Creditors: Amounts falling due within one year		74,629
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£ (2,199)	<u>NET CURRENT ASSETS/(LIABILITIES)</u>		(53,556)
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(641)	<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		(24,494)
	<u>CREDITORS:</u> Amounts falling due after one year		214,037
-			-----
£ (641)	<u>NET ASSETS/(LIABILITIES)</u>		£ (238,531)
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	<u>CAPITAL AND RESERVES</u>		
100,000	Called up Share Capital	2	100,000
(100,641)	Profit and Loss Account		(338,531)
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£ (641)	<u>SHAREHOLDERS FUNDS</u>		£ (238,531)
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DIRECTORS STATEMENT

- (a) The company is entitled to take advantage of the total exemption from audit given by Section 249A(1) of the Companies Act 1985 for the above period.
- (b) No notice has been deposited by holders of 10% or more of the company's issued share capital requiring the company to obtain an audit of its accounts for the financial period.
- (c) The directors acknowledge responsibility for ensuring that the company keeps accounting records which comply with Section 221 and for preparing accounts which give a true and fair view of the state of affairs of the company as at the above date and its profit for the period then ended in accordance with the requirements of Section 226 of the Companies Act 1985 and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

The abbreviated financial statements, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, were approved by the Board on 29th October 2004 and signed on its behalf.


P. K. SHARMA - DIRECTOR



DEBT CONNECT (U.K.) LIMITED
STATEMENT OF ACCOUNTING POLICIES

1. ACCOUNTING CONVENTION

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

2. TURNOVER

Turnover comprises the invoiced value of goods and services supplied by the company net of value added tax and trade discounts.

3. DEPRECIATION

Depreciation is calculated so as to write off the cost of tangible fixed assets over their expected useful lives by the reducing balance method as follows:-

Computer Equipment	25%
Fixtures and Fittings	25%

4. STOCKS AND WORK-IN-PROGRESS

Stock and work-in-progress are valued at the lower of cost and net realisable value. In the case of work-in-progress, cost comprises labour cost and an appropriate proportion of administrative overheads.

5. DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Deferred tax is not recognised when assets are re-valued unless, by the balance sheet date, the company has entered into a binding agreement to sell the assets and recognised the gains and losses expected to arise on sale or where assets have been sold and it expected that the taxable gain will be rolled over into a replacement asset.

6. LEASED ASSETS

Assets acquired under finance lease agreements or hire purchase agreements are capitalised and liabilities are set up for the capital portions of the instalments. The interest portions of the instalments are charged to the profit and loss account in the periods in which they fall due.

Rentals on operating leases are charged to the profit and loss account in the periods in which they fall due.

DEBT CONNECT (U.K.) LIMITED

NOTES TO THE ABBREVIATED BALANCE SHEET

AS AT 31ST OCTOBER 2003

1. **SCHEDULE OF MOVEMENTS IN FIXED ASSETS**

	<u>Opening Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Closing Balance</u>
<u>COST</u>				
Tangible Assets	£ 2,078	£ 37,193	£ -	£ 39,271

	<u>Opening Balance</u>	<u>Provision for the Year</u>	<u>Provision on Disposals</u>	<u>Closing Balance</u>
<u>DEPRECIATION</u>				
Tangible Assets	£ 520	£ 9,689	£ -	£ 10,209

2002 **2003**

2. **CREDITORS**

Creditors due in more than one year
are analysed as follows:-

Hire Purchase Creditor	-	14,037
Other Loans	-	200,000
	£ -	£ 214,037

3. **SHARE CAPITAL**

Authorised:-		
Ordinary Shares of £1 each	£ 100,000	£ 100,000
Allotted and Called up:-		
Ordinary Shares of £1 each	£ 100,000	£ 100,000
Fully Paid:-		
Ordinary Shares of £1 each	£ 36,000	£ 36,000

4. **GOING CONCERN**

Year end liabilities exceeded assets by £641. 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. We do not envisage this position changing in the ensuing twelve month period and are therefore of the opinion that the going concern basis is valid.