

SKANDA (UK) LIMITED
ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2005

Howard Gebhard & Co
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YEAR ENDED 31 MARCH 2005

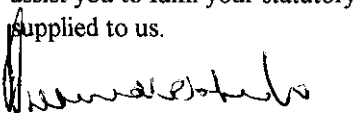
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SKANDA (UK) LIMITED
ACCOUNTANTS' REPORT TO THE DIRECTOR
YEAR ENDED 31 MARCH 2005

As described on the balance sheet, the director of the company is responsible for the preparation of the financial statements for the year ended 31 March 2005, set out on pages 1 to 6.

You consider that the company is exempt from an audit under the Companies Act 1985.

In accordance with your instructions we have compiled these unaudited abbreviated financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.


Howard Gebhard & Co
Chartered Accountants
74 Westcliffe Drive
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Lancashire
FY3 7HG

18 July 2005

SKANDA (UK) LIMITED
ABBREVIATED BALANCE SHEET
31 MARCH 2005

		2005		2004
		£	£	£
FIXED ASSETS	2			
Tangible assets			95,300	47,051
CURRENT ASSETS				
Stocks		122,342		103,760
Debtors		154,284		136,121
Cash at bank and in hand		260,489		248,771
		<u>537,115</u>		<u>488,652</u>
CREDITORS: Amounts falling due within one year		<u>(285,938)</u>		<u>(235,371)</u>
NET CURRENT ASSETS		251,177		253,281
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>346,477</u>		<u>300,332</u>
CREDITORS: Amounts falling due after more than one year		<u>(33,096)</u>		<u>(4,605)</u>
		313,381		295,727
PROVISIONS FOR LIABILITIES AND CHARGES				
Deferred taxation		(7,077)		(3,249)
		<u>306,304</u>		<u>292,478</u>
CAPITAL AND RESERVES				
Called-up share capital	3	1,000		1,000
Profit and loss account		305,304		291,478
SHAREHOLDERS' FUNDS (all equity)		<u>306,304</u>		<u>292,478</u>

THE BALANCE SHEET CONTINUES ON THE FOLLOWING PAGE

The notes on pages 4 to 6 form part of these financial statements

SKANDA (UK) LIMITED
ABBREVIATED BALANCE SHEET
31 MARCH 2005

The director is satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The director acknowledges their responsibility for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial 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 requirements of the Act relating to financial statements, so far as applicable to the company.

These abbreviated financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

These abbreviated financial statements were approved by the board on the 18 July 2005 and are signed on their behalf by:



Mr A M Carroll
Director

The notes on pages 4 to 6 form part of these financial statements

SKANDA (UK) LIMITED
NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2005

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Cash flow statement

The director has taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of VAT.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Equipment	-	20% on reducing balance method
Fixtures & Fittings	-	20% on reducing balance method
Computer equipment	-	20% on reducing balance method
Motor Vehicles	-	20% on reducing balance method

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Leasing and hire purchase commitments

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, and hire purchase contracts, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Research and development

Research and development expenditure is written off in the year in which it is incurred.

SKANDA (UK) LIMITED
NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
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Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

2 FIXED ASSETS

	Tangible Fixed Assets £	Total £
Cost		
At 1 April 2004	92,881	92,881
Additions	72,074	72,074
At 31 March 2005	<u>164,955</u>	<u>164,955</u>
Amortisation/Depreciation		
At 1 April 2004	45,830	45,830
Charge for the year	23,825	23,825
At 31 March 2005	<u>69,655</u>	<u>69,655</u>
Net Book Value		
At 31 March 2005	<u>95,300</u>	<u>95,300</u>
At 31 March 2004	<u>47,051</u>	<u>47,051</u>

SKANDA (UK) LIMITED
NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2005

3 SHARE CAPITAL

	2005 £	2004 £
Authorised share capital:		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid:		
Ordinary share capital	<u>1,000</u>	<u>1,000</u>