ANGLOTAJIK MINERALS INC
Form 10QSB
May 19, 2004

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-QSB

(Mark One)

|X| QUARTERLY REPORT UNDER SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2004

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15(D) OF THE EXCHANGE ACT

For the transition period from ________ to __________

Commission file number: 000-28481

ANGLOTAJIK MINERALS INC.

(Exact name of small business as specified in its charter)

NEVADA	86-0891931
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

11400 West Olympic Boulevard, Suite 200, Los Angeles, CA 90064

(Address of principal executive offices)

(310) 445-8819

(Issuer's telephone number)

13636 Ventura Blvd., #252, Sherman Oaks, California 91432

(Former name, former address, and former fiscal year, if changed since last report)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes |X| No [ ]

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY
PROCEEDINGS DURING THE PRECEDING FIVE YEARS

Check whether the registrant filed all documents and reports required to be file by Section 12, 13, or 15(d) of the Exchange Act after the distribution of securities under a plan confirmed by the court. Yes [ ] No [ ]

APPLICABLE ONLY TO CORPORATE ISSUERS

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date:

Issued and outstanding as of April 30, 2003: 19,120,458 shares common stock, $0.001 par value

Transitional Small Business Disclosure Format (Check one): Yes [ ] No |X|

PART 1 - FINANCIAL INFORMATION

Item 1 - Financial Statements

The accompanying unaudited financial statements of Anglotajik Minerals, Inc. (the "Company"), have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-QSB. Accordingly, these financial statements may not include all of the information and disclosures required by generally accepted accounting principles for complete financial statements. These financial statements should be read in conjunction with the audited financial statements and the notes thereto for the fiscal year ending December, 2003. In the opinion of management, the accompanying unaudited financial statements contain all adjustments necessary to fairly present the Company's financial position as of March 31, 2004 and its results of operations and its cash flows for the three months ended March 31, 2004.

ANGLOTAJIK MINERALS, INC.

FINANCIAL STATEMENTS

March 31, 2004

(Unaudited)

Anglotajik Minerals, Inc.
(A Company in the Exploration Stage)
Balance Sheets

	(Unaudited) March 31, 2004	December 2003
ASSETS		
Current Assets		
Cash	$ -	$

Total current assets	-	
Total assets	$ -	$
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities		
Bank overdraft	$ 28,839	$ 28
Accounts payable	360,106	360
Accrued expenses	238,155	183
Interest payable	5,330	4
Note payable - related party	477,520	457
Total current and total liabilities	1,109,950	1,033
Stockholders' Deficit		
Common stock, $.001 par value, 300,000,000 shares authorized, 19,120,458 shares issued and outstanding	19,120	19
Additional paid-in capital	4,121,063	4,121
Deficit accumulated during the exploration stage	(5,250,133)	(5,173
Total Stockholders' Equity	(1,109,950)	(1,033
Total liabilities and stockholders' equity	$ -	$

The accompanying notes are an integral part of these financial statements.

Anglotajik Minerals, Inc.
(A Company in the Exploration Stage)
Statements of Operations

	Cumulative During the Exploration Stage March 31, 2004	For the Three Months Ended March 31, 2004	For Mont Ma
Revenue	$ -	$ -	$
Operating Costs and Expenses			
Operating and administrative expenses	$ 5,096,984	$ 76,075	$
Depreciation expense	5,562	-	
Amortization expense	16,500	-	

Total operating costs and expenses	5,119,046	76,075	
Non-operating Income			
Dividend income	1,212	-	
Gain on cancellation of contracts	90,604	-	
Loss on disposal of assets	(59,641)	-	
Total non-operating income	32,175	-	
Interest expense	(163,262)	(638)	
Net loss before income taxes	(5,250,133)	(76,713)	
Provision for income taxes	-	-	
Net loss	$ (5,250,133)	$ (76,713)	$
Loss per common share - basic	$ (3.92)	$ -	$
Weighted average common shares - basic	1,340,170	19,120,458	

The accompanying notes are an integral part of these financial statements.

Anglotajik Minerals, Inc.
(A Company in the Exploration Stage)
Statements of Cash Flows
(Unaudited)

	Cumulative During the Exploration Stage March 31, 2004	For the Three Months Ended March 31, 2004
Cash Flows from Operating Activities		
Net loss	$ (5,250,133)	$ (76,713)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization and depreciation expenses	22,062	-
Deferred compensation expense	400,000	-
Gain on cancellation of amortization	(16,500)	-
Loss on disposal of assets	59,641	-
Decrease in deposits	14,925	-

Decrease in prepaid expense	796,250	-
Increase (decrease) in accounts payable	424,577	496
Increase (decrease) in related party payable	553,565	-
Increase (decrease) in wages payable	214,964	-
Increase in interest payable	163,588	638
Increase in accrued expenses	95,918	55,000
Expenses paid by issuance of common stock subscribed	45,000	-
Expenses paid by issuance of common stock	1,125,378	-
Net cash used in operating activities	(1,350,765)	(20,579)
Cash Flows from Investing Activities		
Deposits paid	(14,925)	-
Purchase of fixed assets	(65,203)	-
Net cash used in investing activities	(80,128)	-

(CONTINUED)

The accompanying notes are an integral part of these financial statements.

Anglotajik Minerals, Inc.
(A Company in the Exploration Stage)
Statements of Cash Flows
(CONTINUED)

	Cumulative During the Exploration Stage March 31, 2004	For the Three Months Ended March 31, 2004	For Mon
Cash Flows from Financing Activities			
Proceeds received from issuance of stock	$ 454,635	$ -	$
Proceeds received from officer advances	113,171	19,985	
Proceeds from bank overdraft	30,551	-	
Payment on bank overdraft	(9,915)	-	
Payment of officers advances	(5,474)	-	
Payment on line of credit	(22,574)	-	
Proceeds received from line of credit	870,499	-	
Net cash provided by financing activities	1,430,893	19,985	
Net increase in cash	-	(594)	
Cash and cash equivalents at (Inception) at March 31, 2004 and 2003	-	594	
Cash and cash equivalents at December 31, 2003 and 2002	$ -	$ -	$

Supplementary Information

During the years ended December 31, 2003 and 2002, no amounts were paid for either interest or income taxes.

On October 13, 2003, the company issued 1,000,000 common shares for legal services valued at $370,000.

In August 2003 the company issued 16,999,984 common shares to shareholders in exchange for interest payable of $150,519.

In July 2003 the Company issued 286,713 common shares to the President to relieve an advance of $48,773 and set up a receivable of $51,227. Also in July 2003 a $100,000 signing bonus was paid via the issuance of 279,720 common shares.

In May 2003 the Company issued 2,797 common shares in exchange for consulting expenses of $13,500. Also in May 2003 the Company issued 13,986 common shares to the President pursuant to a stock option agreement, to relieve $100,000 in officer advances and consulting fees payable.

In April 2003 the mining rights contract and the related shares were cancelled.

In June 2002 the Company issued 20,797 shares of its common stock for consulting services of $75,000.

Anglotajik Minerals, Inc.
(A Company in the Exploration Stage)
Notes to the Financial Statements

NOTE 1 - Summary of Significant Accounting Policies

a.Organization

Anglotajik Minerals, Inc. (the "Company") was incorporated in the State of Nevada in August 1997, under the name Meximed Industries, Inc. In January 1999 the Company changed its name to Digital Video Display Technology Corporation and in July 2001 to Iconet, Inc. With new management in the middle of 2003 the company again changed its name to Anglotajik Minerals, Inc. The Company is considered to be in the exploration stage as its operations principally involve research and exploration, market analysis, and other business planning activities, and no revenue has been generated from its business activities.

These financial statements have been prepared assuming that the Company will continue as a going concern. The Company is currently in the exploration stage and existing cash and available credit are insufficient to fund the Company's cash flow needs for the next year. The Company plans to raise additional capital through private placements. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

b.Cash and cash equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. As of December 31, 2003, and 2002, the Company held no cash equivalents.

c.Fair Value of Financial Instruments

Unless otherwise indicated, the fair values of all reported assets and liabilities which represent financial instruments (none of which are held for trading purposes) approximate the carrying values of such amounts.

d.Provision for Income taxes

No provision for income taxes has been recorded due to net operating loss carryforwards totaling over $5.2 million that will be offset against future taxable income. Thes NOL carryforwards begin to expire in the year 2017. No tax benefit has been reported in the financial statements because the Company believes there is a 50% or greater chance the carryforward will expire unused.

The deferred tax asset and the valuation account is as follows at March 31, 2004 and December 31, 2003:

	March 31, 2004	December 31, 2003
Deferred tax asset:		
Deferred noncurrent tax asset	$ 1,837,547	$ 1,787,725
Valuation allowance	(1,837,547)	(1,787,725)
Total	-	-

e. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. In these financial statements, assets, liabilities and earnings involve extensive reliance on managements estimates. Actual results could differ from those estimates.

f. Earning (loss) per share

Net loss per share is provided in accordance with Statement of Financial Accounting Standards (SFAS) No. 128 Earnings Per Share. Basic loss per share for each period is computed by dividing net loss by the weighted average number of shares of common stock outstanding during the period. Diluted loss per share is computed in a manner consistent with that of basic loss per share while giving effect to all potentially dilutive common shares that were outstanding during the period. The number of additional shares is calculated by assuming that outstanding stock options were exercised and that the proceeds from such exercises were used to acquire shares of common stock at the average market price during the reporting period. The weighted averages for the years ended December 31, 2003, and 2002, and from inception reflect the reverse stock split of 1:200 that was approved by the board of directors in July 2001, the 1:143 reverse stock split effective July 16, 2003 and the

2:1 forward split on September 15, 2003.

NOTE 2 - New Technical Pronouncements

In December 2002, the FASB issued SFAS No. 148, Accounting for Stock-Based Compensation-Transition and Disclosure-an amendment of FAS 123. SFAS No. 148 amends SFAS No. 123, Accounting for Stock-Based Compensation, to provide alternative methods of transition for an entity that voluntarily changes to the fair value based method of accounting for stock-based employee compensation. It also amends the disclosure provisions of SFAS No. 123 to require prominent disclosure about the effects on reported net income of an entity's accounting policy decisions with respect to stock-based employee compensation. This Statement also amends APB Opinion No. 28, Interim Financial Reporting, to require disclosure about those effects in interim

financial information. SFAS No. 148 is effective for annual and interim periods beginning after December 15, 2002. The adoption of the interim disclosure provisions of SFAS No. 148 did not have an impact on the Company's financial position, results of operations or cash flows. The Company is currently evaluating whether to adopt the fair value based method of accounting for stock-based employee compensation in accordance with SFAS No. 148 and its resulting impact on the Company's financial statements.

In January 2003, the Emerging Issues Task Force ("EITF") issued EITF Issue No. 00-21, Accounting for Revenue Arrangements with Multiple Deliverables. This consensus addresses certain aspects of accounting by a vendor for arrangements under which it will perform multiple revenue-generating activities, specifically, how to determine whether an arrangement involving multiple deliverables contains more than one unit of accounting. EITF Issue No. 00-21 is effective for revenue arrangements entered into in fiscal periods beginning after June 15, 2003, or entities may elect to report the change in accounting as a cumulative-effect adjustment. The adoption of EITF Issue No. 00-21 did not have a material impact on the Company's financial statements.

In January 2003, the FASB issued Interpretation ("FIN") No. 46, Consolidation of Variable Interest Entities. Until this interpretation, a company generally included another entity in its consolidated financial statements only if it controlled the entity through voting interests. FIN No. 46 requires a variable interest entity, as defined, to be consolidated by a company if that company is subject to a majority of the risk of loss from the variable interest entity's activities or entitled to receive a majority of the entity's residual returns. FIN No. 46 is effective for reporting periods ending after December 15, 2003. The adoption of FIN No. 46 did not have an impact on the Company's financial statements.

In April 2003, the FASB issued SFAS No. 149, Amendment of Statement 133 on Derivative Instruments and Hedging Activities, which amends and clarifies accounting for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities under SFAS No. 133. SFAS No. 149 is effective for contracts entered into or modified after June 30, 2003 and for hedging relationships designated after June 30, 2003. The adoption of SFAS No. 149 will not have an impact on the Company's financial statements.

In May 2003, the FASB issued SFAS No. 150, Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity. SFAS No. 150 changes the accounting guidance for certain financial instruments that, under previous guidance, could be classified as equity or "mezzanine" equity by now requiring those instruments to be reported as liabilities. SFAS No. 150 also requires disclosure relating to the terms of those instruments and settlement alternatives. SFAS No. 150 is generally effective for all financial instruments entered into or modified after May 31, 2003, and is otherwise effective at the beginning of the first interim period beginning after June 15, 2003. The adoption of SFAS No. 150 did not have an impact on the Company's financial statements.

In December 2003, the SEC issued SAB No. 104. SAB No. 104 revises or rescinds portions of the interpretative guidance included in Topic 13 of the codification of staff accounting bulletins in order to make this interpretive guidance consistent with current authoritative accounting and auditing guidance and SEC rules and regulations. It also rescinds the Revenue Recognition in Financial Statements Frequently Asked Questions and Answers document issued in conjunction with Topic 13. Selected portions of that document have been incorporated into Topic 13. The adoption of SAB No. 104 in December 2003 did not have an impact on the Company's financial position, results of operations or cash flows.

NOTE 3 - Stock Options

The Company applies APB Opinion 25 and related interpretations in accounting for its stock option plans. No compensation cost has been recognized during the period ended March 31, 2004. Deferred compensation is recorded only when the market price exceeds the option price at the grant date. Compensation is recorded using the straight-line method over the vesting period.

In September 2001 the Company issued an option to purchase 13,986 shares of common stock at $0.10 per share to a Director of the Company. The Company accrued $400,000 in deferred compensation costs, as the option price at the grant date was less than the market price. The option expires in September 2006. The compensation cost will be accrued over the vesting period. Compensation costs of $0 and $280,000 were included in the statements of operation for the period ended March 31, 2004 and the year ended December 31, 2003, respectively.

In September 2003 the Company issued an option to purchase 699,301 shares of common stock at $0.21 per share to a Director of the Company. The Company did not accrue any deferred compensation costs, as the option price was greater that the market price on the date of grant. The option expires in July 2011. Had compensation cost for the Company's stock-based compensation plan been determined based on the fair value at the grant date for awards under those plans consistent with the method of FASB Statement 123, the Company's net loss and loss per share would have been increased to the pro forma amounts indicated below:

	March 31, 2004	December 31, 2003
Net loss:		
As reported	$ (76,713)	$ 1,386,188
Pro forma	$ (90,786)	$ 1,388,380
Loss per share:		
As reported	$ -	$ 0.17
Pro forma	$ -	$ 0.17

The Company has determined the pro-forma information as if the Company had accounted for the stock option granted on July 1, 2003, under the fair value method of SFAS 123. The Black-Scholes option-pricing model was used with a risk free interest rate of 4.67% for March 31, 2004 and December 31, 2003; dividend yield of 0.0% for March 31, 2004 and December 31, 2003; a volatility factor of 214% and 182% for March 31, 2004 and December 31, 2003 respectively, and an expected life of 8 years. The fair value of the stock options granted in July 2003 is $0.01 per share. If the Company had recognized deferred compensation cost based on the fair value method, it would have increased deferred compensation by $14,073 for the period ended March 31, 2004 and $6,577 for the year ended December 31, 2003. It would also have increased the compensation cost for the period ended March 31, 2004 by $14,073 and for the year ended December 31, 2003 by $2,192.

NOTE 4 - Related Party Transactions

During the years ended December 31, 2003, and 2002, the Company charged $37,500, and $276,084 respectively, to consulting expense, and $0 and $80,000, respectively, to legal fees for services rendered by directors or stockholders of the Company. Outstanding balances payable for consulting and legal fees to these related parties were $450,465 and $481,065 at December 31, 2003, and 2002, respectively.

The President of Anglotajik Minerals, Inc. advanced the Company funds to pay expenses. During the year ended December 31, 2003, travel and other office expenses of $62,073 were paid by an officer.

In May 2003 the Company issued 13,986 shares of its common stock to the officer pursuant to a stock option dated September 1, 2001. This issuance relieved officer advances payable and consulting fees payable by $31,900 and $68,100, respectively.

In July 2003 the Board of Directors authorized the issuance of 286,713 restricted common shares to the President to relieve the shareholder advance of $48,773 and for a receivable of $51,227 from the President.

During the third quarter of 2003, the President was the only member of the Board of Directors. In July 2003 the Company issued an option to purchase 699,301 shares of common stock at $0.21 per share to a Director of the Company. Also in July 2003 a signing bonus of $100,000 was paid to the President via the issuance of 279,720 shares of restricted common stock. Wages payable to the President of $180,000 for 3rd and 4th quarter of 2003 and 1st quarter of 2004 were accrued.

During the year ended December 31, 2003, the Company issued a total of 16,999,984 common shares to each of the shareholders to whom interest was due on the old line of credit. The issuance of these shares relieved the entire outstanding payable of $150,519.

NOTE 5 - Stockholders' Equity

In July 2003 the Board of Directors authorized the issuance of 286,713 restricted common shares to the President in exchange for a shareholder advance of $48,773 and a receivable from the President of $51,227. The President is the only member of the Board of Directors. Also in July 2003 a signing bonus of $100,000 was paid to the President via the issuance of 279,720 shares of restricted common stock.

In July 2003 a reverse stock split of 1:143 was authorized by the Board of

Directors, and the number of authorized shares was increased to 300 million. The financial statements have been retroactively restated to reflect the reverse stock split.

In August 2003 the Company issued 16,999,984 common shares to the shareholders to whom interest was due on the line of credit. The issuance of these shares relieved the entire outstanding payable of $150,519.

In September 2003 a 2:1 forward stock split was authorized by the Board of Directors. The financial statements have been retroactively restated to reflect the forward stock split.

On October 13, 2003 the board of directors authorized the issuance of 1,000,000 shares of restricted common stock to a law firm for services valued at $370,000.

NOTE 6 - Commitments and Contingencies

There are various claims and lawsuits pending against the Company arising in the normal course of the Company's business. Although the amount of liability at December 31, 2003, cannot be ascertained, management is of the opinion that any resulting liability will not materially affect the Company's financial position.

Merrill Lynch Canada Inc., has filed suit against the Company regarding a dispute related to the sale of its restricted common stock by an unrelated third party to Merrill Lynch. At this time the Company does not know if it will sustain a loss, or the amount of the loss.

The Company settled an action by a bank regarding an overdraft. The settlement carried an interest rate of 9.0% and twelve monthly payments of $3,321. The Company made three payments before defaulting on this settlement. The amount due as of March 31, 2004 is $28,343. Related interest of $5,330 has also been accrued by the Company.

Item 2 - Management's Discussion and Analysis or Plan of Operation

NOTE: The following discussion and analysis should be read in conjunction with the Company's Interim Financial Statements (unaudited) and the Notes to the Financial Statements for the nine month period ended September 30, 2003.

Uncertainty as to Certain Accounts Payable

We have reviewed, and continue to review our corporate files, books and records, but remain unable to conclusively identify a basis or certain amount of our Accounts Payable and for the Related Parties Payable to previous management carried on our books. We are continuing to attempt to locate invoices or other documentation regarding those payables.

Three Months Ended March 31, 2004 versus 2003

Operating expenses for the period dropped significantly to $76,075 in 2004 compared to $326,408 for the comparable period in 2003, owing to extraordinary legal fees incurred in the prior year period. As the company had no cash resources, expenses were funded by issuance of common stock, by loans subsequently settled by the issuance of our common stock, and by an increase in the Related Party Payable account.

Plan of Operation

We currently have no cash or sources of cash to fund operations. We are attempting to arrange an equity financing in the amount of $3,000,000 to $6,000,000 to fund our proposed activities in mineral exploration in the Republic of Tajikistan, although we have received no commitments as yet. Our ability to continue in the mineral exploration business will depend upon our success in raising capital through stock sales or some other means, of which we cannot be certain.

PART II - OTHER INFORMATION

Item 1 - Legal Proceedings

There are various claims and lawsuits pending against the Company arising in the normal course of the Company's business. Although the amount of liability at September 30, 2003, cannot be ascertained, management is of the opinion that any resulting liability will not materially affect the Company's financial position. See Note 6 to the Interim Financial Statements.

Item 2 - Changes in Securities

None.

Item 3 - Defaults Upon Senior Securities

None.

Item 4 - Submission of Matters to a Vote of Security Holders

None.

Item 5 - Other Information

None.

Item 6 - Exhibits and Reports on Form 8-K

We filed the following Current Reports on Form 8-K during the period:

8-K	February 13, 2004	Filed February 24, 2004
8-K/A	February 13, 2004	Filed February 25, 2004
8-K/A	February 13, 2004	Filed April 7, 2004

The following exhibits are filed herewith:

Ex. 31	Certification of CEO / CFO
Ex. 32	Certification of CEO / CFO

SIGNATURES

In accordance with the requirements of the Exchange Act, the Registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ANGLOTAJIK MINERALS INC.

May 18, 2004	/s/ Matthew Markin
Dated	President, Acting Chief Financial Officer