

R. D. P. GROUP LIMITED
REPORT AND ACCOUNTS
YEAR ENDED 30 JUNE 2001

HORWATH CLARK WHITEHILL
Chartered Accountants
Foley House
123 Stourport Road
Kidderminster
Worcestershire
DY11 7BW



A21
COMPANIES HOUSE

A24SWSR0

0792
02/03/02

R. D. P. GROUP LIMITED
REPORT AND ACCOUNTS
YEAR ENDED 30 JUNE 2001

CONTENTS	Page
Directors' report	1
Statement of directors' responsibilities	2
Auditors' report	3
Profit and loss account	4
Balance sheet	5
Cash flow statement	6
Notes to the accounts	7 - 14

R. D. P. GROUP LIMITED
DIRECTORS' REPORT
YEAR ENDED 30 JUNE 2001

The directors present their annual report and the accounts for the year ended 30 June 2001.

RESULTS AND DIVIDENDS

The trading profit for the year after taxation was £514,385.

A dividend of £320,000 (2000 : £320,000) was paid during the year.

REVIEW OF THE BUSINESS

The principal activity of the company continues to be the provision of management services and the principal activities of its subsidiary undertakings are set out in note 10 to the accounts.

TANGIBLE FIXED ASSETS

The directors are of the opinion that the current market value of the freehold land and buildings is in excess of cost.

DIRECTORS' AND THEIR INTERESTS

The directors of the company during the year and their interests in the share capital of the company at the beginning and end of the year were as follows:

	'A' Ordinary shares of £1 each		Ordinary shares of £1 each	
	30 June 2001	1 July 2000	30 June 2001	1 July 2000
P. J. Smith	-	-	375	375
R. D. Garbett	-	-	375	375
Mrs P. A. Garbett	500	500	-	-
Mrs E. C. Smith	500	500	-	-

P. J. Smith and R. D. Garbett hold 5% each of the issued share capital of RDP-Electrosense of Pennsylvania, Inc., a subsidiary undertaking.

Mrs P. A. Garbett retires by rotation and, being eligible, offers herself for re-election.

AUDITORS

In accordance with section 385 of the Companies Act 1985, a resolution proposing the reappointment of Horwath Clark Whitehill, as auditors of the company, will be put to the members at the Annual General Meeting.

Approved by the board on 18 December 2001
and signed on its behalf.



R. D. Garbett
Secretary

R. D. P. GROUP LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

The purpose of this statement is to distinguish the directors' responsibilities for the accounts from those of the auditors, as stated in their report.

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the company's state of affairs at the end of the year and of its profit or loss for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to assume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**HORWATH
CLARK WHITEHILL**

Chartered Accountants

A member of Horwath International

Foley House
123 Stourport Road
Kidderminster
Worcs
DY11 7BW

Telephone: 01562 60101
Facsimile: 01562 820196
www.horwathcw.com

**AUDITORS' REPORT
TO THE SHAREHOLDERS OF
R. D. P. GROUP LIMITED**



We have audited the accounts on pages 4 to 14 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of the directors and auditors

As described on page 2 the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Unqualified opinion

In our opinion, the accounts give a true and fair view of the state of the company's affairs as at 30 June 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Horwath Clark Whitehill
HORWATH CLARK WHITEHILL
Chartered Accountants
and Registered Auditors

18 December 2001

R. D. P. GROUP LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 JUNE 2001

	Note	2001 £	2000 £
TURNOVER	2	560,000	453,125
Administrative expenses		496,268	379,008
OPERATING PROFIT	3	63,732	74,117
Income from shares in group undertakings		400,000	400,000
Amounts written off investments		(9,113)	-
Interest received	6	102,721	85,280
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		557,340	559,397
TAXATION	7	42,955	44,028
PROFIT FOR THE FINANCIAL YEAR		514,385	515,369
DIVIDENDS	8	320,000	320,000
RETAINED PROFIT		194,385	195,369
RETAINED PROFIT BROUGHT FORWARD		1,729,404	1,534,035
RETAINED PROFIT CARRIED FORWARD		1,923,789	1,729,404

There is no material difference between the profit for the year as disclosed above and that on the historical cost basis.

The profit and loss account contains all the gains and losses recognised in the current and preceding year and the loss absorbed and profit retained in these years represent the only movement in shareholders' funds.

The notes on pages 7 to 14 form part of these accounts.

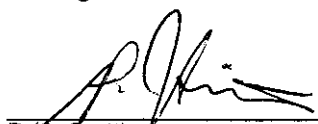
R. D. P. GROUP LIMITED

BALANCE SHEET

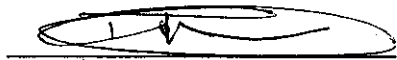
30 JUNE 2001

	Note	£	2001 £	2000 £
FIXED ASSETS				
Tangible assets	9		218,198	191,143
Investments	10		16,403	25,516
			<u>234,601</u>	<u>216,659</u>
CURRENT ASSETS				
Debtors	11	94,055		49,195
Cash at bank and in hand		2,093,100		1,989,160
		<u>2,187,155</u>		<u>2,038,355</u>
CREDITORS: amounts falling due within one year	12	495,524		523,167
NET CURRENT ASSETS			<u>1,691,631</u>	<u>1,515,188</u>
NET ASSETS			<u>1,926,232</u>	<u>1,731,847</u>
 CAPITAL AND RESERVES				
Called up share capital	14		2,000	2,000
Revaluation reserve			443	443
Profit and loss account			1,923,789	1,729,404
SHAREHOLDERS' FUNDS			<u>1,926,232</u>	<u>1,731,847</u>

Approved by the board on 18 December 2001
and signed on its behalf.


P. J. Smith

Directors


R. D. Garbett

The notes on pages 7 to 14 form part of these accounts.

R. D. P. GROUP LIMITED
CASH FLOW STATEMENT
YEAR ENDED 30 JUNE 2001

	Note	2001 £	2000 £
Net cash inflow from operating activities	15	16,841	370,623
Returns on investments and servicing of finance	16	502,721	485,280
Taxation		(44,674)	(24,570)
Capital expenditure and financial investment	16	(50,948)	(22,105)
Equity dividends paid		(320,000)	(320,000)
		<u>103,940</u>	<u>489,228</u>
Cash inflow before use of financing		103,940	489,228
Financing		-	-
		<u>103,940</u>	<u>489,228</u>
Increase in cash in the year		103,940	489,228

**RECONCILIATION OF NET CASH FLOW TO
MOVEMENT IN NET FUNDS**

Increase in cash in the year		103,940	489,228
Change in net funds resulting from cash flows		103,940	489,228
Net funds at 1 July 2000	17	1,989,160	1,499,932
Net funds at 30 June 2001	17	2,093,100	1,989,160

The notes on pages 7 to 14 form part of these accounts.

R. D. P. GROUP LIMITED
NOTES TO THE ACCOUNTS
YEAR ENDED 30 JUNE 2001

1. ACCOUNTING POLICIES

1.1 Basis of accounting

The accounts are prepared under the historical cost convention, modified to include the revaluation of certain leasehold properties, and in accordance with applicable accounting standards.

The company is exempt from the requirement to prepare group accounts by virtue of section 248 of the Companies Act 1985. These accounts therefore present information about the company as an individual undertaking and not about its group.

1.2 Depreciation of tangible fixed assets

Depreciation is provided on all tangible fixed assets in use, at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Freehold buildings	-	equal annual instalments writing the asset off over its expected useful life
Leasehold property	-	over 50 years
Motor vehicles	-	25% reducing balance

1.3 Investments

Investments held as fixed assets are stated at cost less provision for permanent diminution in value.

1.4 Revaluation of properties

The tangible fixed asset that is carried at valuation was valued in the accounting period ended 30 June 1971. The date of the revaluation is shown in note 9. The company has adopted the transitional provisions of FRS 15 in respect of this asset and will not revalue this asset in the future.

1.5 Foreign exchange

Transactions denominated in foreign currency are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences arising in the ordinary course of business are included in the operating profit.

Assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date.

1.6 Deferred taxation

Deferred taxation is accounted for on all material timing differences except where the directors consider that no tax liability is likely to arise during the foreseeable future and where there is no indication that, after this period, the situation is likely to change.

1.7 Pension costs

The company operates a defined contribution scheme. The scheme is funded by contributions from the company which are invested separately from the company's assets and are charged to the profit and loss account as payable.

2. TURNOVER

Turnover, representing the net amount invoiced, excluding both value added tax and sales of fixed assets, entirely originated in the United Kingdom. The analysis of turnover is as follows:

	2001 £	2000 £
Management activities	<u>560,000</u>	<u>453,125</u>

R. D. P. GROUP LIMITED
NOTES TO THE ACCOUNTS
YEAR ENDED 30 JUNE 2001

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2001 £	2000 £
Amortisation of tangible assets	4,158	4,158
Depreciation of tangible fixed assets		
- owned by the company	27,121	16,716
Auditors' remuneration	3,100	3,000
(Profit)/loss on disposal of fixed assts	(7,386)	1,003
Foreign exchange differences	(259)	(120)
	<u> </u>	<u> </u>

4. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2001 £	2000 £
Wages and salaries	372,596	270,242
Social security costs	46,476	33,244
Other pension costs	17,110	16,175
	<u>436,182</u>	<u>319,661</u>

The average monthly number of employees, including directors, during the year was as follows:

	No	No
Office and management	10	8
Sales and distribution	2	1
	<u>12</u>	<u>9</u>

5. DIRECTORS' REMUNERATION

	2001 £	2000 £
Directors' emoluments, including benefits in kind excluding pension contributions	193,498	180,445
Directors' pension contributions	7,500	11,383
	<u>200,998</u>	<u>191,828</u>
	No.	No.
Directors accruing benefits under money purchase schemes	<u>1</u>	<u>1</u>

R. D. P. GROUP LIMITED
NOTES TO THE ACCOUNTS
YEAR ENDED 30 JUNE 2001

6. INTEREST RECEIVABLE

	2001 £	2000 £
Bank interest received	102,691	85,280
Other interest received	30	-
	<u>102,721</u>	<u>85,280</u>

7. TAXATION

	2001 £	2000 £
Based on the profit for the year:		
UK corporation tax at 25% (2000 : 25.3%)	31,120	32,839
Group relief at 32.5% (2000 : 32.5%)	11,835	11,189
	<u>42,955</u>	<u>44,028</u>

8. DIVIDENDS

	2001 £	2000 £
Final dividend paid:		
£160 per share (2000 : £160)	<u>320,000</u>	<u>320,000</u>

R. D. P. GROUP LIMITED
NOTES TO THE ACCOUNTS
YEAR ENDED 30 JUNE 2001

9. TANGIBLE FIXED ASSETS

	Freehold property £	Leasehold property £	Motor Vehicles £	Equipment leased £	Total £
Cost or valuation					
At 1 July 2000	189,226	37,000	110,237	5,000	341,463
Additions	-	-	73,998	-	73,998
Disposals	-	-	(59,882)	(5,000)	(64,882)
At 30 June 2001	189,226	37,000	124,353	-	350,579
Depreciation					
At 1 July 2000	75,080	10,152	60,088	5,000	150,320
Charge for year	3,610	548	27,121	-	31,279
On disposals	-	-	(44,218)	(5,000)	(49,218)
At 30 June 2001	78,690	10,700	42,991	-	132,381
Net Book Value					
At 30 June 2001	110,536	26,300	81,362	-	218,198
<i>At 30 June 2000</i>	<i>114,146</i>	<i>26,848</i>	<i>50,149</i>	<i>-</i>	<i>191,143</i>

Leasehold properties are stated at a valuation at 31 December 1970 of £37,000.

The comparable amounts for these leasehold properties stated under the historical cost rules are:

	2001 £	2000 £
Cost	30,380	30,380
Cumulative depreciation	(8,776)	(8,326)
Net book value	21,604	22,054

10. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
Cost	
At 1 July 2000	26,276
Disposals	(9,113)
At 30 June 2001	17,163
Provisions	
At 1 July 2000	760
At 30 June 2001	760
Net Book Value	
At 30 June 2001	16,403
<i>At 30 June 2000</i>	<i>25,516</i>

R. D. P. GROUP LIMITED
NOTES TO THE ACCOUNTS
YEAR ENDED 30 JUNE 2001

10.1 Additional information on subsidiary undertakings:

Subsidiaries (Principal activities)	Capital and reserves	Profit/(loss) for the year	Portion of ordinary shares held %
	£	£	
Registered in England:			
R. D. P. Electronics Limited (Production and development of electronic instrumentation for data handling and control)	381,975	428,917	100
R. D. P. - Howden Limited (Manufacture and distribution of hydraulic and mechanical materials testing equipment)	142,799	(25,163)	76
Lincoln Instruments Limited (Production, development and distribution of electronic instruments)	16,425	462	50
Croft Control Systems limited (*) (Dormant)	(4,858)	-	76
T. C. Howden & Company limited (*) (Dormant)	25,658	-	100
Rootavon Limited (Dormant)	5,322	-	100
R. D. P. Photonics Limited (Dormant)	2	-	100
Incorporated and operational in United States of America:			
RDP-Electrosense of Pennsylvania Inc.	261,878	60,592	90

With the exception of companies marked with an *, all shareholdings are in the name of R. D. P. Group Limited.

11. DEBTORS

	2001 £	2000 £
Amounts due from group undertakings	93,126	48,311
VAT repayment due	929	884
	<u>94,055</u>	<u>49,195</u>

R. D. P. GROUP LIMITED
NOTES TO THE ACCOUNTS
YEAR ENDED 30 JUNE 2001

12. CREDITORS:

Amounts falling due within one year

	2001 £	2000 £
Trade creditors	-	177
Amounts owed to group undertakings	274,905	300,146
Corporation tax payable	31,120	32,839
Other taxes and social security costs	57,931	54,381
Directors' current accounts	86,141	94,940
Accruals	45,427	40,684
	<u>495,524</u>	<u>523,167</u>

13. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation

	Full potential liability 2001 £	2000 £	Provided in the accounts 2001 £	2000 £
Timing differences arising from:				
Industrial buildings allowance	18,461	18,958	-	-
Revaluation reserve	2,318	2,318	-	-
	<u>20,779</u>	<u>21,276</u>	<u>-</u>	<u>-</u>

14. CALLED UP SHARE CAPITAL

	2001 £	2000 £
Authorised		
1,000 ordinary shares of £1 each	1,000	1,000
1,000 'A' ordinary shares of £1 each	1,000	1,000
	<u>2,000</u>	<u>2,000</u>
Allotted, called up and fully paid		
1,000 ordinary shares of £1 each	1,000	1,000
1,000 'A' ordinary shares of £1 each	1,000	1,000
	<u>2,000</u>	<u>2,000</u>

R. D. P. GROUP LIMITED
NOTES TO THE ACCOUNTS
YEAR ENDED 30 JUNE 2001

15. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2001 £	2000 £
Operating profit	63,732	74,117
Amortisation of tangible assets	4,158	4,158
Depreciation of tangible fixed assets	27,121	16,716
(Profit)/loss on sale of tangible fixed assets	(7,386)	1,003
(Increase)/decrease in debtors	(44,860)	194,155
(Decrease)/increase in creditors	(25,924)	80,474
Net cash inflow	16,841	370,623

16. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2001 £	2000 £
Returns on investments and servicing of finance		
Interest received	102,721	85,280
Dividends received	400,000	400,000
Net cash inflow for returns on investments and servicing of finance	502,721	485,280
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(73,998)	(32,855)
Sale of tangible fixed assets	23,050	10,750
Net cash outflow for capital expenditure and financial investment	(50,948)	(22,105)

17. ANALYSIS OF NET FUNDS

	1 July 2000 £	Cash flow £	30 June 2001 £
Cash at bank and in hand	<u>1,989,160</u>	<u>103,940</u>	<u>2,093,100</u>
	1 July 1999 £	Cash flow £	30 June 2000 £
Cash at bank and in hand	<u>1,499,932</u>	<u>489,228</u>	<u>1,989,160</u>

18. CONTINGENT LIABILITIES

The company has given an unlimited guarantee to Lloyds Bank Plc in respect of any overdrafts that may arise in the group companies. At 30 June 2001 this amounted to £Nil (2000 : £13,529).

R. D. P. GROUP LIMITED
NOTES TO THE ACCOUNTS
YEAR ENDED 30 JUNE 2001

19. RELATED PARTIES

Throughout the year, the company was controlled by P. J. Smith, R. D. Garbett, directors, and members of their close families. Details of the directors' interests in the company's share capital are set out in the Directors' Report.

During the year, the company entered into transactions with its subsidiary companies, details of which are set in note 10, as follows:

Related Party	Transaction	Balance at	
		£	Year End £
R. D. P. Electronics Limited	Management charge	540,000	-
	Recharges	29,028	59,593
R. D. P. - Howden Limited	Management charge	20,000	-
	Group relief	(11,835)	
	Recharges	1,527	(215,758)