

Company Registration No. 3411348 (England and Wales)

REEDLINK LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2000



REEDLINK LIMITED

COMPANY INFORMATION

Directors

J B Reed
A R Deal
W J Reed
S J Poston

Secretary

A R Deal

Company number

3411348

Registered office

Vale Road
Windsor
Berkshire
Great Britain
SL4 5JL

Auditors

Foreman & Hill
5 Curfew Yard, Thames Street
Windsor
Berkshire
SL4 1SN

REEDLINK LIMITED

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REEDLINK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2000

The directors present their report and financial statements for the year ended 31 October 2000.

Principal activities

The principal activity of the company continued to be that of suppliers of stationery requirements in the retail trade.

Directors

The following directors have held office since 1 November 1999:

J B Reed
A R Deal
W J Reed
S J Poston

Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary of £ 1 each	
	31 October 2000	1 November 1999
J B Reed	-	-
A R Deal	-	-
W J Reed	-	-
S J Poston	-	-

Auditors

Foreman & Hill were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

Directors' responsibilities

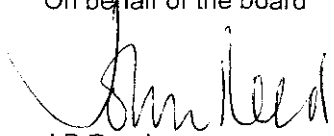
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume 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 financial statements 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.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board


J B Reed

Director

20 June 2001

REEDLINK LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF REEDLINK LIMITED

We have audited the financial statements on pages 3 to 7 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

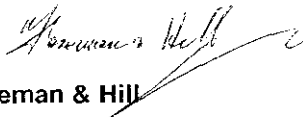
Basis of opinion

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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, 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 financial statements 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 financial statements.

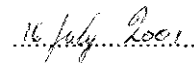
Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 October 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Foreman & Hill

Chartered Accountants
Registered Auditor



5 Curfew Yard, Thames Street
Windsor
Berkshire
SL4 1SN

REEDLINK LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 OCTOBER 2000

	Notes	2000 £	1999 £
Turnover		1,054,627	607,764
Cost of sales		(689,537)	(446,555)
Gross profit		365,090	161,209
Distribution costs		(974)	(1,910)
Administrative expenses		(363,694)	(135,341)
Other operating income		22,993	23,089
Operating profit	2	23,415	47,047
Other interest receivable and similar income		462	164
Profit on ordinary activities before taxation		23,877	47,211
Tax on profit on ordinary activities	3	(4,699)	(9,750)
Profit on ordinary activities after taxation	9	19,178	37,461

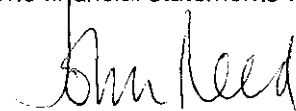
REEDLINK LIMITED

BALANCE SHEET AS AT 31 OCTOBER 2000

	Notes	2000 £	£	1999 £	£
Fixed assets					
Tangible assets	4		576		394
Current assets					
Stocks		3,162		3,779	
Debtors	5	146,622		203,946	
Cash at bank and in hand		154,418		14,290	
		<u>304,202</u>		<u>222,015</u>	
Creditors: amounts falling due within one year	6	<u>(251,055)</u>		<u>(187,864)</u>	
Net current assets			53,147		34,151
Total assets less current liabilities			<u>53,723</u>		<u>34,545</u>
Capital and reserves					
Called up share capital	8		2		2
Profit and loss account	9		53,721		34,543
Shareholders' funds			<u>53,723</u>		<u>34,545</u>

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

The financial statements were approved by the Board on 20 June 2001



J B Reed
Director

REEDLINK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2000

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	Between 25% and 33% straight line
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1.4 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

2 Operating profit	2000	1999
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	385	238
Auditors' remuneration	1,800	1,240
	<u> </u>	<u> </u>
3 Taxation	2000	1999
	£	£
U.K. current year taxation		
U.K. corporation tax at 20% (1999 - 21%)	4,790	9,750
Prior years		
U.K. corporation tax	(91)	-
	<u> </u>	<u> </u>
	<u>4,699</u>	<u>9,750</u>

REEDLINK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2000

4 Tangible fixed assets

	£
Cost	
At 1 November 1999	959
Additions	566
At 31 October 2000	1,525
Depreciation	
At 1 November 1999	564
Charge for the year	385
At 31 October 2000	949
Net book value	
At 31 October 2000	576
At 31 October 1999	394

5 Debtors	2000 £	1999 £
Trade debtors	142,250	193,197
Other debtors	4,372	10,749
	146,622	203,946

6 Creditors: amounts falling due within one year	2000 £	1999 £
Trade creditors	153,960	149,226
Amounts owed to group undertakings and undertakings in which the company has a participating interest	69,812	-
Taxation and social security	15,212	22,880
Other creditors	12,071	15,758
	251,055	187,864

7 Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £766 (1999 - £1,093).

REEDLINK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2000

8	Share capital	2000 £	1999 £
	Authorised		
	1,000 Ordinary of £ 1 each	1,000	1,000
		<u> </u>	<u> </u>
	Allotted, called up and fully paid		
	2 Ordinary of £ 1 each	2	2
		<u> </u>	<u> </u>

9 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 November 1999	34,543
Retained profit for the year	19,178
	<u> </u>
Balance at 31 October 2000	53,721
	<u> </u>

10 Control

Reedlink Limited is a wholly owned subsidiary of John B Reed Limited, a company incorporated in England and Wales. The ultimate controlling party is Mr J B Reed.

11 Related party transactions

During the year to 31 October 2000 there were the following related party transactions; the company purchased goods and services from the following associated companies: Reedprint Ltd - purchases £79,597 (1999 - £41,254) year end creditor balance £55,789 (1999 - £1,337); John B Reed Ltd (parent company) - purchases £97,646 (1999 - £NIL), year end creditor balance £69,812 (1999 - NIL); Abbot (Kings Langley) Ltd - purchases £399,299 (1999 - £294,797), year end creditor balance £53,487 (1999 - £106,397).