

Company Registration No. 3411348 (England and Wales)

REEDLINK LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2002



REEDLINK LIMITED

COMPANY INFORMATION

Directors	J B Reed A R Deal W J Reed
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 2002

The directors present their report and financial statements for the year ended 31 October 2002.

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 2001:

J B Reed	
A R Deal	
W J Reed	
S J Poston	(Resigned 31 May 2002)
P R Clarke	(Resigned 11 October 2002)

Directors' interests

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

	Ordinary of £ 1 each	
	31 October 2002	1 November 2001
J B Reed	-	-
A R Deal	-	-
W J Reed	-	-

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.

REEDLINK LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2002

Directors' responsibilities

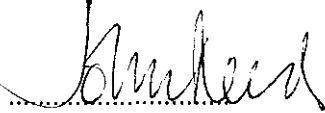
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- 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

.....14/1/03.....

REEDLINK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF REEDLINK LIMITED

We have audited the financial statements of Reedlink Limited on pages 4 to 9 for the year ended 31 October 2002. These financial statements 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 therein.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

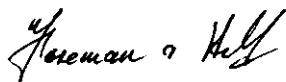
Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Foreman & Hill

21 January 2003

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 2002

	Notes	2002 £	2001 £
Turnover		519,582	607,131
Cost of sales		(369,275)	(435,157)
Gross profit		150,307	171,974
Administrative expenses		(218,619)	(178,452)
Other operating income		26,270	23,311
Operating (loss)/profit	2	(42,042)	16,833
Other interest receivable and similar income		297	2,197
Interest payable and similar charges		(740)	(235)
(Loss)/profit on ordinary activities before taxation		(42,485)	18,795
Tax on (loss)/profit on ordinary activities	3	1,083	(3,329)
(Loss)/profit on ordinary activities after taxation	9	(41,402)	15,466

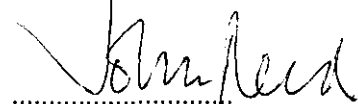
REEDLINK LIMITED

BALANCE SHEET AS AT 31 OCTOBER 2002

	Notes	2002 £	£	2001 £	£
Fixed assets					
Tangible assets	4		18,040		15,632
Current assets					
Stocks		7,379		3,623	
Debtors	5	113,693		103,631	
Cash at bank and in hand		42,511		69,824	
		<u>163,583</u>		<u>177,078</u>	
Creditors: amounts falling due within one year	6	<u>(147,881)</u>		<u>(119,418)</u>	
Net current assets			15,702		57,660
Total assets less current liabilities			33,742		73,292
Creditors: amounts falling due after more than one year	7		<u>(5,955)</u>		<u>(4,102)</u>
			<u>27,787</u>		<u>69,190</u>
Capital and reserves					
Called up share capital	8		2		2
Profit and loss account	9		27,785		69,188
Shareholders' funds			<u>27,787</u>		<u>69,190</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 ...14/1/03.....



J B Reed
Director

REEDLINK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2002

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 33.33% straight line
Motor vehicles	33.33% straight line

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 (loss)/profit	2002 £	2001 £
	Operating (loss)/profit is stated after charging:		
	Depreciation of tangible assets	10,091	4,156
	Auditors' remuneration	1,110	1,200
		<u>11,201</u>	<u>5,356</u>
3	Taxation	2002 £	2001 £
	U.K. current year taxation		
	U.K. corporation tax at 20% (2001 - 20%)	-	3,329
	Prior years		
	U.K. corporation tax	(1,083)	-
		<u>(1,083)</u>	<u>3,329</u>

REEDLINK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2002

4 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 November 2001	20,737
Additions	12,499
At 31 October 2002	33,236
Depreciation	
At 1 November 2001	5,105
Charge for the year	10,091
At 31 October 2002	15,196
Net book value	
At 31 October 2002	18,040
At 31 October 2001	15,632

The net book value of tangible fixed assets includes £14,086 (2001 - £8,431) in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £6,844 (2001 - £1,686) for the year.

5 Debtors	2002 £	2001 £
Trade debtors	97,968	102,378
Other debtors	15,725	1,253
	113,693	103,631

REEDLINK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2002

6	Creditors: amounts falling due within one year	2002	2001
		£	£
	Net obligations under hire purchase contracts	6,438	2,735
	Trade creditors	74,618	42,700
	Amounts owed to group undertakings and undertakings in which the company has a participating interest	52,229	52,229
	Taxation and social security	5,863	11,345
	Other creditors	8,733	10,409
		<u>147,881</u>	<u>119,418</u>
7	Creditors: amounts falling due after more than one year	2002	2001
		£	£
	Net obligations under hire purchase contracts	<u>5,955</u>	<u>4,102</u>
8	Share capital	2002	2001
		£	£
	Authorised		
	1,000 Ordinary of £ 1 each	<u>1,000</u>	<u>1,000</u>
	Allotted, called up and fully paid		
	2 Ordinary of £ 1 each	<u>2</u>	<u>2</u>
9	Statement of movements on profit and loss account		Profit and loss account
			£
	Balance at 1 November 2001		69,187
	Retained loss for the year		(41,402)
	Balance at 31 October 2002		<u>27,785</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.		

REEDLINK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2002

11 Related party transactions

During the year to 31 October 2002 there were the following related party transactions. The company purchased goods and services from the following associated companies: Reedprint Ltd - purchases £2,473 (2001 - £41,377) year end creditor balance £1,770 (2001 - £3,015); John B Reed Ltd (parent company) - purchases £44,534 (2001 - £8,655), year end creditor balance £12,338 (2001 - £172); Abbot (Kings Langley) Ltd - purchases £263,283 (2001 - £332,406), year end creditor balance £28,903 (2001 - £4,572); Reedbooks Ltd - purchases £375 (2001 - £240), year end creditor balance £NIL (2000 - £NIL). The company purchased management services from its parent company John B Reed Ltd at a cost of £42,000 (2001 - £6,500). Also, during the year the company made sales of £1,292 to Reedprint Ltd, year end debtor balance £NIL.