

REDACELL LIMITED
FINANCIAL STATEMENTS
For
31 December 2001



Company Registration Number 01863986

COTTERELL & CO
Chartered Accountants & Registered Auditors
The Chubb Buildings
Fryer Street
WOLVERHAMPTON
WV1 1HT

REDACELL LIMITED

THE DIRECTORS' REPORT

Year ended 31 December 2001

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2001.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was the holding of shares in subsidiary undertakings.

The company did not trade during the year, merely operating as the holding company.

RESULTS AND DIVIDENDS

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year were as follows:

Mr W J R White
Mr P E J White
Mrs J White

The whole of the issued capital of Redacell Limited is owned by trustees of a settlement for the benefit of the family of P E J White.

Mr W J R White, Mr P E J White and Mrs J White had the following interests in group company shares by virtue of them being potential beneficiaries of the trust holding those shares:

	2001	2000
	£	£
Redacell Limited	90	90
Rotadex Systems Limited:		
Ordinary shares	10,500	10,500
'B' shares	2,000	2,000
Rotadex Engineering Limited	11,200	11,200
Rotadex Press	500	500

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 at the end of the year and of the profit or loss for the year then ended.

REDACELL LIMITED

THE DIRECTORS' REPORT *(continued)*

Year ended 31 December 2001

DIRECTORS' RESPONSIBILITIES *(continued)*

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 7, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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. The directors 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.

Auditors

A resolution to re-appoint Cotterell & Co as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

On behalf of the Board



W J R WHITE
Director

28 May 2002

REDACELL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

Year ended 31 December 2001

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on pages 1 to 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

It is our responsibility 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 December 2001 and of the profit of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



COTTERELL & CO

Chartered Accountants
Registered Auditors

WOLVERHAMPTON

28 May 2002

REDACELL LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 December 2001

	Note	2001 £	2000 £
TURNOVER	2	-	-
Administrative expenses		-	-
OPERATING PROFIT	3	-	-
<i>Tax on profit on ordinary activities</i>		-	-
RETAINED PROFIT FOR THE FINANCIAL YEAR		-	-
Balance brought forward		211	211
Balance carried forward		211	211

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.

The notes on pages 7 to 11 form part of these financial statements.

REDACELL LIMITED

BALANCE SHEET

31 December 2001

	Note	£	2001 £	£	2000 £
FIXED ASSETS					
Investments	5		114,120		114,120
CURRENT ASSETS					
Debtors	6	3,344		3,344	
CREDITORS: Amounts falling due within one year	7	<u>(115,491)</u>		<u>(115,491)</u>	
NET CURRENT LIABILITIES			<u>(112,147)</u>		<u>(112,147)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,973</u>		<u>1,973</u>
CAPITAL AND RESERVES					
Called-up equity share capital	9		90		90
Share premium account			1,672		1,672
Profit and Loss Account			<u>211</u>		<u>211</u>
SHAREHOLDERS' FUNDS	10		<u>1,973</u>		<u>1,973</u>

These financial statements were approved by the directors on 28 May 2002, and are signed on their behalf by:



W J R WHITE
Director

The notes on pages 7 to 11 form part of these financial statements.

REDACELL LIMITED

CASH FLOW STATEMENT

Year ended 31 December 2001

	2001 £	2000 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	-	30
TAXATION	-	(30)
	<u> </u>	<u> </u>
INCREASE IN CASH	-	-

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2001 £	2000 £
Decrease in debtors	-	30
	<u> </u>	<u> </u>
Net cash inflow from operating activities	-	30

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2001 £	2000 £
Increase in cash in the period	-	-

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Jan 2001 £	Cash flows £	At 31 Dec 2001 £
Net funds	-	-	-

REDACELL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2001

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a medium-sized group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

Fixed asset investments

Fixed asset investments in subsidiary undertakings are stated at their original cost less any permanent diminution in value.

2. TURNOVER

There was no turnover during the year.

3. OPERATING PROFIT

Operating profit is stated after charging:

	2001	2000
	£	£
Directors' emoluments	-	-

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2001	2000
	No.	No.
Number of management staff	3	3

No salaries or wages have been paid to employees, including the directors, during the year.

5. INVESTMENTS

	Total
	£
COST	
At 1 January 2001 and 31 December 2001	<u>114,120</u>
NET BOOK VALUE	
At 31 December 2001	<u>114,120</u>
At 31 December 2000	<u>114,120</u>

REDACELL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2001

5. INVESTMENTS (continued)

Under a deed of gift dated 17 March 1986 Redacell Limited acquired an 82.7% holding in Rotadex Systems Limited, a 72.2% holding in Rotadex Engineering Limited and a 66.2% holding in Rotadex Press Limited.

Under the terms of this deed, Redacell Limited was liable to pay the Capital Transfer tax arising on the gift. The amount paid, which has been agreed with the Inland Revenue at £12,819, is shown as the cost of investment in subsidiary undertakings.

	2001 £	2000 £
Cost of shares above under deed of gift	12,819	12,819
Cost of 1300 'A' ordinary shares in Rotadex Engineering Limited - 30 March 1993 (a further 2.89% holding)	1,300	1,300
Cost of 100 ordinary shares of £1 each and 100 'A' ordinary shares of £1 each in Rotadex Industries Limited - 1 October 1993(100% holding)	100,000	100,000
Cost of 1 ordinary share of £1 in Whitehead Letterfiles Limited - 19 April 1995(100% holding)	1	1
	<u>114,120</u>	<u>114,120</u>

Details of subsidiaries

Rotadex Systems Limited:

Registered in England; principal activity that of manufacture of filing systems.

Rotadex Engineering Limited:

Registered in England; the company did not trade during the year.

Rotadex Industries Limited:

Registered in England; principal activity was that of equipment manufacture and precision engineering. The company ceased trading on 30 November 2001.

Whitehead Letterfiles Limited:

Registered in England; the company did not trade during the year.

Rotadex Press Limited:

Registered in England; the company did not trade during the year.

The group is a medium sized group, but has taken advantage of exemptions provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

	2001 £	2000 £
The profit/(loss) for the year in respect of each of the above companies was:		
Rotadex Systems Limited	285,054	165,239
Rotadex Industries Limited	<u>(55,116)</u>	<u>14,239</u>

Rotadex Engineering limited did not trade

Whitehead Letterfiles Limited did not trade.

Rotadex Press Limited did not trade.

The aggregate capital and reserves in respect of each of the above companies was:

Rotadex Systems Limited	894,674	609,620
Rotadex Engineering Limited	291,403	291,403
Rotadex Industries Limited	60,074	115,190
Whitehead Letterfiles Limited	<u>1</u>	<u>1</u>

Rotadex Press Limited showed a nil balance for both years.

REDACELL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2001

6. DEBTORS

	2001	2000
	£	£
Amounts owed by group undertakings	<u>3,344</u>	<u>3,344</u>

7. CREDITORS: Amounts falling due within one year

	2001	2000
	£	£
Amounts owed to group undertakings	<u>115,491</u>	<u>115,491</u>

REDACELL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2001

8. RELATED PARTY TRANSACTIONS

During the year the following transactions were undertaken with other related party companies. The balances outstanding at the end of the year are also shown below:

	2001 £	2000 £
Rotadex Systems Limited Limited (Subsidiary company)		
Balance due from Rotadex Systems Limited	<u>3,344</u>	<u>3,344</u>

Rotadex Engineering Limited (Subsidiary company)		
Balance due to Rotadex Engineering Limited	<u>(115,491)</u>	<u>(115,491)</u>

Intra-group balances and trading not reflected above

Rotadex Systems Limited with:

Rotadex Engineering Limited (Fellow subsidiary)		
Balance due to Rotadex Engineering Limited	<u>(63,404)</u>	<u>(63,404)</u>

Rotadex Industries Limited (Fellow subsidiary)		
Balance due due to Rotadex Industries Limited	<u>(203,575)</u>	<u>(209,512)</u>
Management charge receivable	69,300	63,433
Purchases for re-sale	<u>(490,751)</u>	<u>(584,863)</u>

Stock transferred from Rotadex Industries Limited	<u>(22,415)</u>	<u>-</u>
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Fixed assets transferred				
	Cost	Depreciation	NBV	
Plant and Machinery	130,747	96,676	(34,071)	-
Tooling	20,252	17,268	(2,984)	-
Fixtures & Fittings	4,012	4,012	-	-
Office Equipment	15,713	15,713	-	-
Motor Vehicles	29,850	26,100	(3,750)	-
			<u></u>	<u></u>

Trustees of Settlement		
Indebtedness to trustees	-	(129,167)
Loan interest payable	<u>(3,331)</u>	<u>(11,693)</u>

Rotadex Industries Limited with:

Rotadex Systems Limited (Fellow subsidiary)		
Management charge payable	(69,300)	(63,433)
Sale of manufactured items	490,751	584,863
Transfer of stock and WIP at cost	22,415	-
Balance due from Rotadex Systems Limited	<u>203,575</u>	<u>209,512</u>

REDACELL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2001

8. RELATED PARTY TRANSACTIONS *(continued)*

			2001 £	2000 £
Fixed assets transferred to Rotadex Systems Limited				
	Cost	Depreciation	NBV	
Plant	130,747	96,676	34,071	-
Tooling	20,252	17,268	2,984	-
Fixtures & Fittings	4,012	4,012	-	-
Office Equipment	15,713	15,713	-	-
Motor Vehicles	29,850	26,100	3,750	-

Rotadex Engineering Limited (fellow subsidiary)

Balance due to Rotadex Engineering Limited	(112,507)	(112,507)
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Rotadex Engineering Limited with:

Rotadex Systems Limited (Fellow subsidiary)

Balance due from Rotadex Systems Limited	(63,404)	(63,404)
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Rotadex Industries Limited (Fellow subsidiary)

Balance due from Rotadex Industries Limited	112,507	112,507
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The whole of the issued share capital of Redacell Limited is owned by trustees of a settlement for the benefit of the family of P E J White.

All of the above transactions were undertaken at arms length on normal commercial terms unless otherwise stated.

9. SHARE CAPITAL

Authorised share capital:

	2001 £	2000 £
10,000 Ordinary shares of £1.00 each	10,000	10,000

Allotted, called up and fully paid:

	2001 £	2000 £
Ordinary share capital	90	90

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001 £	2000 £
Opening shareholders' equity funds	1,973	1,973
Closing shareholders' equity funds	1,973	1,973