

COMPANY NO: 4560751

REED REWARDS LIMITED

(Formerly Reed Mobile Limited)

ANNUAL REPORT

◆ For the 53 weeks ended 31st December 2004 ◆



REED REWARDS LIMITED (Formerly REED MOBILE LIMITED)

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REED REWARDS LIMITED (Formerly REED MOBILE LIMITED)

COMPANY INFORMATION

Directors	J A Reed D G Beal
Secretary	J Edmunds LL.B Solicitor
Registered office	Academy Court 3 rd Floor 94 Chancery Lane London WC2A 1DT
Registered number	4560751
Auditors	RSM Robson Rhodes LLP Chartered Accountants 186 City Road London EC1V 2NU

REED REWARDS LIMITED (Formerly REED MOBILE LIMITED)

REPORT OF THE DIRECTORS

The directors present their report, together with the audited financial statements for the 53 weeks ended 31st December 2004.

Activities

The principal activity of the company is that of supplier of telecommunications equipment.

The company changed its name from Reed Mobile Limited to Reed Rewards Limited on 22 March 2005.

Trading results and dividend

The company's trading results are set out on page 5.

No dividends have been proposed for the year.

Directors

The composition of the Board of Directors is given on page 1.

None of the directors have an interest in the share capital of the company.

J Reed and D Beal are directors of James Reed & Partners plc, the ultimate parent undertaking, and their interests are disclosed in that Company's financial statements.

Statement of directors' responsibilities in respect of the financial statements

Company law in the United Kingdom 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 these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom accounting standards have been followed; and
- 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 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.

REED REWARDS LIMITED (Formerly REED MOBILE LIMITED)

Auditors

The auditors, RSM Robson Rhodes LLP, have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

Approval

The Report of the Directors has been prepared in accordance with the special provisions of Part VII of the Companies Act relating to small companies.

The report of the directors was approved by the Board on 17th October 2005 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'D G Beal', written in a cursive style.

D G Beal
Director

REED REWARDS LIMITED (Formerly REED MOBILE LIMITED)

AUDITORS' REPORT TO THE SHAREHOLDERS OF REED REWARDS LIMITED

We have audited the financial statements on pages 5 to 10.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

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 whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors 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 and other members of the group is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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 affairs of the company as at 31st December 2004 and of the company's loss for the 53 weeks then ended and have been properly prepared in accordance with provisions of the Companies Act 1985 applicable to small companies.

RSM Robson Rhodes LLP

RSM Robson Rhodes LLP
Chartered Accountants and Registered Auditor
London, England

19.10.05

REED REWARDS LIMITED (Formerly REED MOBILE LIMITED)**PROFIT AND LOSS ACCOUNT****For the 53 weeks ended 31st December 2004**

	Note	53 weeks ended 31 st December 2004 £	64 weeks ended 31 st December 2003 £
Turnover	1	131,928	74,298
Cost of sales		<u>(99,829)</u>	<u>(37,698)</u>
Gross profit		32,099	36,600
Administrative expenses		<u>(44,374)</u>	<u>(47,059)</u>
Operating loss		(12,275)	(10,459)
Interest payable		-	-
Loss on ordinary activities before taxation	2	(12,275)	(10,459)
Tax on loss on ordinary activities	3	-	-
Retained loss for the period		<u>(12,275)</u>	<u>(10,459)</u>
Statement of retained losses			
Retained losses brought forward		(10,459)	-
Loss retained for the period		<u>(12,275)</u>	<u>(10,459)</u>
Retained losses at the end of the year		<u>(22,734)</u>	<u>(10,459)</u>

All of the company's operations are continuing.

There were no recognised gains or losses except as reported above.

REED REWARDS LIMITED (Formerly REED MOBILE LIMITED)**BALANCE SHEET**
At 31st December 2004

	Note	At 31 st December 2004 £	At 31 st December 2003 £
Current assets			
Stocks – finished goods		-	54,611
Debtors	4	8,715	83,394
Cash at bank		<u>68,465</u>	<u>3,229</u>
		77,180	141,234
Creditors: Amounts falling due within one year	5	<u>(99,912)</u>	<u>(151,691)</u>
Net current liabilities		(22,732)	(10,457)
Net liabilities		<u>(22,732)</u>	<u>(10,457)</u>
Capital and reserves			
Called up share capital	6	2	2
Profit and loss account		<u>(22,734)</u>	<u>(10,459)</u>
Equity shareholders' deficit	7	<u>(22,732)</u>	<u>(10,457)</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act relating to small companies.

The financial statements were approved by the Board on 17th October 2005 and signed on its behalf by:



D Beal
Director

REED REWARDS LIMITED (Formerly REED MOBILE LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

For the 53 weeks ended 31st December 2004

1. ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), and under the historical cost convention.

Going concern

The financial statements are prepared under the going concern basis as the company has received commitments from its parent company, Reed Executive plc, that it will not demand repayment of the amounts owed to it at the period end in the foreseeable future, and that it will provide financial support if required to ensure that the company can meet its obligations as they fall due.

Turnover

Turnover represents amounts receivable for goods provided to customers, net of Value Added Tax, and arises solely in the United Kingdom.

Stocks

Stocks are stated at lower of cost and net realisable value.

Cash flow statement

The company has taken advantage of the exemption under Financial Reporting Standard 1 not to prepare a cash flow statement as the company's ultimate parent at the balance sheet date, James Reed and Partners plc, has prepared a cash flow statement.

REED REWARDS LIMITED (Formerly REED MOBILE LIMITED)**NOTES TO THE FINANCIAL STATEMENTS****For the 53 weeks ended 31st December 2004****2. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION**

Auditors' remuneration has been borne by another group company.

The directors did not receive any emoluments from the company during the period.

3. TAXATION ON LOSS ON ORDINARY ACTIVITIES**a) Analysis of tax charge for the period**

	2004	2003
	£	£
Tax on profits for the period	--	--

b) Factors affecting the tax charge for the period

The tax assessed for the period differs to the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2004	2003
	£	£
Loss on ordinary activities before taxation	(12,275)	(10,459)
Theoretical tax at UK corporation tax rate of 30%	(3,683)	(3,138)
Effects of:		
Group relief surrendered	3,683	3,138
Current tax charge for the period	--	--

c) Factors that may affect future tax charges

There are no material factors that may affect future tax charges

4. DEBTORS

	At 31 st December 2004	At 31 st December 2003
	£	£
Trade debtors	4,563	73,836
Other debtors	4,152	9,558
	<u>8,715</u>	<u>83,394</u>

REED REWARDS LIMITED (Formerly REED MOBILE LIMITED)**NOTES TO THE FINANCIAL STATEMENTS****For the 53 weeks ended 31st December 2004****5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	At 31st December 2004 £	At 31st December 2003 £
Trade creditors	54,534	111,691
Amounts owed to parent undertaking	45,378	40,000
	<u>99,912</u>	<u>151,691</u>

6. SHARE CAPITAL

The share capital of the company is as follows:

	At 31st December 2004 £	At 31st December 2003 £
Authorised 100 shares of £1 each	<u>100</u>	<u>100</u>
Allotted and fully paid 2 shares of £1 each	<u>2</u>	<u>2</u>

7. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	At 31st December 2004 £	At 31st December 2003 £
Opening equity shareholders' deficit	(10,457)	-
Share capital issued	-	2
Total recognised losses for the period	(12,275)	(10,459)
Closing equity shareholders' deficit	<u>(22,732)</u>	<u>(10,457)</u>

8. RELATED PARTY TRANSACTIONS

As disclosed in note 9, the company is a wholly owned subsidiary. It has therefore taken advantage of the exemptions available under Financial Reporting Standard 8 Related Party Transactions (FRS 8) and is not required to disclose transactions occurring within the group.

REED REWARDS LIMITED (Formerly REED MOBILE LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

For the 53 weeks ended 31st December 2004

9. ULTIMATE PARENT COMPANY

Reed Rewards Limited is owned by Reed Executive plc, which itself is owned by James Reed & Partners plc the ultimate parent undertaking, which is registered in England and Wales. The largest set of accounts into which these accounts are consolidated is James Reed and Partners plc and the smallest is Reed Executive plc. Consolidated accounts can be obtained from the following address.

James Reed & Partners plc
Academy Court
3rd Floor
94 Chancery Lane
London
WC2A 1DT

10. POST BALANCE SHEET EVENT

On 22nd March 2005 Reed Mobile Ltd changed its name to Reed Rewards Ltd