

SECURITIES AND EXCHANGE COMMISSION

FORM 10QSB

Optional form for quarterly and transition reports of small business issuers under section 13 or 15(d)

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FILER

**REDCELL POWER CORP**

CIK: **1079548** | IRS No.: **134044390** | State of Incorporation: **DE** | Fiscal Year End: **1231**  
Type: **10QSB** | Act: **34** | File No.: **000-25529** | Film No.: **05788057**  
SIC: **9995** Non-operating establishments

Mailing Address

999 WEST HASTINGS  
SUITE 1250  
VANCOUVER B0 V6C 2W2

Business Address

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-QSB

(Mark One)

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: **June 30, 2004**

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: **000-25529**

**REDCELL POWER CORPORATION**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation or organization)

**13-4044390**

(I.R.S. Employer Identification No.)

**1650 - 1180 West Georgia Street, Vancouver, British Columbia V6E 4A2  
(604) 230-3153**

(Address and telephone number of registrant's principal executive offices and principal place of business)

Check whether the issuer (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), or (2) has been subject to such filing requirements for the past 90 days.

Yes  No

The number of outstanding common shares, \$ .001 par value, of the Registrant at:

June 30, 2004: 8,345,502

Traditional Small Business Disclosure Format:

Yes  No

## PART I - FINANCIAL INFORMATION

### Item 1 Financial Statements

The Quarterly Financial Statements for the period ended June 30, 2004 will follow the text of this Form 10-QSB.

### Item 2 Management's Discussion and Analysis

#### Overview

We are a development stage company.

The Company currently maintains an office in Canada at 1650 - 1180 West Georgia Street, Vancouver, British Columbia V6E 4A2.

#### RESULTS OF OPERATIONS

##### Restructuring

Since the sale of the beneficial right, title, and interest of shares in RedCell Batteries Inc completed in December 2003, we have been looking to locate and consummate a merger or acquisition with an operating entity. The Company is considered to be in the development stage.

##### Liquidity and Capital Resources

To date we have incurred significant net losses. The net loss for the period ended June 30, 2004 is \$64,893; the accumulated deficit as at June 30, 2004 is \$872,782. The Company has no current operations and is currently looking to locate and consummate a merger or acquisition with an operating entity. These factors raise substantial doubt about our ability to continue as a going concern. We anticipate that we may continue to incur significant operating losses for the foreseeable future. There can be no assurance as to whether or when we will generate material revenues or achieve profitable operations.

#### RISK FACTORS

There are inherent risk factors associated with an investment in RedCell and management wishes to alert investors to these risks.

##### Limited Operating History

RedCell has a limited operating history upon which an evaluation of its business and prospects can be based. There can be no assurance that an investment in our Company shall be profitable or that we will realize revenue growth or be profitable on a quarterly or annual basis. In addition, our plans to increase our operating expenses to further develop our operations and increase our administration resources. A relatively high percentage of our expenses will be typically fixed in the short term as our expense levels are based, in part, on its expectations of future revenue. To the extent that such expenses precede or are not subsequently followed by increased revenue, our business, financial condition, operating results, and cash flows would be materially adversely affected. Management believes that period-to-period comparisons of financial results are not necessarily meaningful at this stage and should not be relied upon as an indication of future performance.

##### Inflation

As we are a development stage company, inflation has not had a material affect on our operations. In the event we are no longer considered a development stage entity, inflation may affect our ability to generate profits, as increased costs may be associated with development and marketing of our products. In the opinion of management, inflation at this time has not and will not have a material affect on our operations. Management will evaluate the possible affects of inflation on RedCell as it relates to our business and operations and will proceed accordingly.

##### Ability to Raise Capital

Our ability to further develop our business and operations is dependent on our ability to raise capital. RedCell will seek to raise capital through equity funding and private placement of securities as well as securing lines of credit with credit institutions. There is no guarantee that we will be able to raise capital to further develop our business and operations. Additionally, we may encounter significant costs or unfavourable terms in our efforts to raise capital. Investors are further alerted that any efforts to raise capital through a private placement of equity securities will result in dilution to shareholders of the Company.

### **Item 3            Controls and Procedures**

As of the end of the period covered by this report, the Company evaluated the effectiveness of the design and operation of its disclosure controls and procedures and its internal controls and procedures for financial reporting. This evaluation was done under the supervision and with the participation of management, including the President and Chief Financial Officer. In accordance with SEC requirements, the President and Chief Financial Officer note that, since the date of the evaluation to the date of this Quarterly Report, there have been no significant changes in internal controls or in other factors that could significantly affect internal controls, including any corrective actions with regard to significant deficiencies and material weaknesses. Based upon the Company's evaluation, the President and Chief Financial Officer have concluded that the Company's disclosure controls are effective to ensure that material information relating to the Company is made known to management, including the President and Chief Financial Officer, particularly during the period when the Company's periodic reports are being prepared, and that the Company's internal controls are effective to provide reasonable assurance that the Company's financial statements are fairly presented in conformity with generally accepted accounting principles.

## **PART II - OTHER INFORMATION**

### **Item 1            Legal Proceedings**

None.

### **Item 2            Unregistered Sales of Equity Securities and Use of Proceeds**

The Company did not issue any securities during the quarter ended June 30, 2004.

Neither the Company nor any affiliated purchaser, purchased or repurchased any shares of the Company during the quarter ended June 30, 2004.

### **Item 3            Defaults Upon Senior Securities**

Not applicable.

### **Item 4            Submission of Matters to a Vote of Security Holders**

Not applicable.

### **Item 5            Other Information**

Not applicable

### **Item 6            Exhibits and Reports in Form 8-K.**

31      Certifications by the Chief Executive Officer and Acting Chief Financial Officer of the Company pursuant to Rule 13a-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

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**(b) Reports on Form 8-K.**

None.



**REDCELL POWER CORPORATION**  
**(A Development Stage Company)**  
**INTERIM FINANCIAL STATEMENTS**  
**JUNE 30, 2004**  
**(Unaudited - Prepared by Management)**

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**Auditor Review Letter**

**Interim Balance Sheet**

**Interim Statements of Loss and Deficit**

**Interim Statements of Stockholders' Equity**

**Interim Statements of Cash Flows**

**Notes to the Interim Financial Statements**

☐  
April 8, 2005

Our file No. 823 01233

Mr. Cameron King  
RedCell Power Corporation  
1650 - 1180 West Georgia St.  
Vancouver, BC V6E 4A2

Dear Sirs:

Re: Interim Quarterly financial statements for RedCell Power Corporation

We have performed a limited review of the interim financial statements of the Company for the quarter ended June 30, 2004. Our limited review was solely to conform to the US Securities Exchange Commission Item 310(b) of Regulation S-B and should not be used or referred to for any other purpose.

We have not issued a report for the limited review. If, in any filing with the SEC, the company states that the interim financial statements have been reviewed by an independent public accountant, a report must be filed with the interim financial statements.

Yours truly,

**MacKay LLP**

***“Sean Gilbert”***

Sean Gilbert, CA  
Partner

**REDCELL POWER CORPORATION**  
(A Development Stage company)  
**INTERIM BALANCE SHEET**  
**AS AT JUNE 30, 2004 WITH AUDITED FIGURES AT DECEMBER 31, 2003**

(Unaudited - Prepared by Management)

(Stated in US Dollars)

|  | June 30,<br>2004<br>(Unaudited) | December 31,<br>2003<br>(Audited) |
|--|---------------------------------|-----------------------------------|
| <b>ASSETS</b>                                    |                                 |                                   |
| CURRENT  | \$ -                            | \$ -                              |
| <b>LIABILITIES</b>                               |                                 |                                   |
| CURRENT  |                                 |                                   |
| Accounts payable and accrued liabilities         | \$ 13,555                       | \$ 13,430                         |
| Advances from related party (Note 3)             | 540,832                         | 536,064                           |
| Due to related party (Note 3)                    | 180,000                         | 120,000                           |
|  | <u>734,387</u>                  | <u>669,494</u>                    |
| <b>STOCKHOLDERS' EQUITY</b>                      |                                 |                                   |
| <b>SHARE CAPITAL</b>                             |                                 |                                   |
| Common stock, \$0.001 par value                  |                                 |                                   |
| 25,000,000 shares authorized                     |                                 |                                   |
| 8,345,502 shares outstanding (Note 4)            | 8,347                           | 8,347                             |
| Additional paid in capital                       | 130,048                         | 130,048                           |
| DEFICIT ACCUMULATED DURING THE DEVELOPMENT STAGE | (872,782)                       | (807,889)                         |
|  | <u>(734,387)</u>                | <u>(669,494)</u>                  |
|  | <u>\$ -</u>                     | <u>\$ -</u>                       |

Nature of Operations (Note 1)

Approved by the Directors:

“Cameron King”

\_\_\_\_\_  
Cameron King, Director

The accompanying notes are an integral part of these financial statements.



**REDCELL POWER CORPORATION**  
(A Development Stage company)  
**INTERIM STATEMENTS OF INCOME AND DEFICIT**  
**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2004 AND 2003**

(Unaudited - Prepared by Management)

(Stated in US Dollars)

|                                     | Three months ended<br>June 30, 2004<br>(Unaudited) | Three months ended<br>June 30, 2003<br>(Unaudited) | Six months ended<br>June 30, 2004<br>(Unaudited) | Six months ended<br>June 30, 2003<br>(Unaudited) |
|-------------------------------------|--|--|--|--|
| <b>ADMINISTRATIVE EXPENSES</b>      |  |  |  |  |
| Accounting                          | \$ 1,500   | \$ 1,500   | \$ 2,768   | \$ 3,000   |
| Consulting                          | 30,000   | -  | 60,000   | -  |
| Filing and Transfer Agent           | 25   | -  | 2,125  | -  |
|                                     | <u>31,525</u>                                      | <u>1,500</u>                                       | <u>64,893</u>                                    | <u>3,000</u>                                     |
| <b>LOSS FOR THE PERIOD</b>          | <b>(31,525)</b>                                    | <b>(1,500)</b>                                     | <b>(64,893)</b>                                  | <b>(3,000)</b>                                   |
| <b>DEFICIT, BEGINNING OF PERIOD</b> | <b>(841,257)</b>                                   | <b>(4,501,517)</b>                                 | <b>(807,889)</b>                                 | <b>(4,500,017)</b>                               |
| <b>DEFICIT, END OF PERIOD</b>       | <b>\$ (872,782)</b>                                | <b>\$ (4,503,017)</b>                              | <b>\$ (872,782)</b>                              | <b>\$ (4,503,017)</b>                            |

The accompanying notes are an integral part of these financial statements.

**REDCELL POWER CORPORATION**  
(A Development Stage company)  
**INTERIM STATEMENTS OF STOCKHOLDERS' EQUITY**  
**AS AT JUNE 30, 2004**

(Unaudited - Prepared by Management)

(Stated in US Dollars)

|  | Number of<br>Shares | Amount   | Additional<br>Paid-In<br>Capital | Accumulated<br>Deficit | Total        |
|--|---------------------|----------|----------------------------------|------------------------|--------------|
| Balance, January 31, 2002                                  | 283,750             | \$ 284   | \$ 129,841                       | \$ (132,182)           | \$ (2,057)   |
| Stock dividend paid  | -                   | -        | (50)                             | -                      | (50)         |
| Stock cancelled by majority shareholders<br>in May of 2002 | (258,248)           | (257)    | 257                              | -                      | -            |
| Stock issued to effect the acquisition of<br>subsidiary    | 8,000,000           | 8,000    | -                                | -                      | 8,000        |
| Issued   | 320,000             | 320      | -                                | -                      | 320          |
| Net loss for the period                                    | -                   | -        | -                                | (4,367,835)            | (4,367,835)  |
| Balance, December 31, 2002                                 | 8,345,502           | 8,347    | 130,048                          | (4,500,017)            | (4,361,622)  |
| Net income for the year                                    | -                   | -        | -                                | 3,692,128              | 3,692,128    |
| Balance, December 31, 2003                                 | 8,345,502           | 8,347    | 130,048                          | (807,889)              | (669,494)    |
| Net loss for the period                                    | -                   | -        | -                                | (64,893)               | (64,893)     |
| Balance, June 30, 2004                                     | 8,345,502           | \$ 8,347 | \$ 130,048                       | \$ (872,782)           | \$ (734,387) |

The accompanying notes are an integral part of these financial statements.

**REDCELL POWER CORPORATION**  
(A Development Stage company)  
**INTERIM STATEMENTS OF CASH FLOWS**  
**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2004 AND 2003**

(Unaudited - Prepared by Management)

(Stated in US Dollars)

|  | Three months ended<br>June 30, 2004<br>(Unaudited) | Three months ended<br>June 30, 2003<br>(Unaudited) | Six months ended<br>June 30, 2004<br>(Unaudited) | Six months ended<br>June 30, 2003<br>(Unaudited) |
|--|--|--|--|--|
| <b>OPERATING ACTIVITIES</b>                  |  |  |  |  |
| Net income/(loss) for the period             | \$ (31,525)  | \$ (1,500)   | \$ (64,893)                                      | \$ (3,000)                                       |
| Changes in non-cash working capital items:   |  |  |  |  |
| Accounts payable and accrued liabilities     | 1,525  | -  | 125  | 3,000  |
| Advances from related party                  | -  | 1,500  | 4,768  | -  |
| Cash provided/(used) by operating activities | (30,000)   | -  | (60,000)   | -  |
| <b>FINANCING ACTIVITIES</b>                  |  |  |  |  |
| Advances from related party                  | 30,000   | -  | 60,000   | -  |
| Cash provided/(used) by financing activities | 30,000   | -  | 60,000   | -  |
| <b>NET INCREASE/(DECREASE) IN CASH</b>       | -  | -  | -  | -  |
| <b>CASH, BEGINNING OF PERIOD</b>             | -  | -  | -  | -  |
| <b>CASH, END OF PERIOD</b>                   | \$ -   | \$ -   | \$ -   | \$ -   |

The accompanying notes are an integral part of these financial statements.

**REDCELL POWER CORPORATION**  
(A Development Stage Company)  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2004**

**(Unaudited - Prepared by Management)**

**(Stated in US Dollars)**

**1. NATURE OF OPERATIONS**

The Company was incorporated in the State of Delaware in February 1998. On May 23, 2002 the Company changed its name to RedCell Power Corporation.

The Company is in the development stage and following the reverse take-over of RedCell Batteries Inc. in June of 1998, operated as a wholesale supplier of a private brand label of consumable battery products to retailers. The Company operated its warehouse facility based in Indiana, U.S.A. and sold to U.S. based retailers. On August 5, 2002, the Company changed its fiscal year end from January 31<sup>st</sup> to December 31<sup>st</sup> to coincide with the year end of its wholly owned subsidiary, Redcell Batteries Inc.

Subsequent to the acquisition, the Company determined that the operations of RedCell Batteries Inc. ("RBI") were not viable and accordingly adopted a formal plan of disposal. The Company is again looking to locate and consummate a merger or acquisition with an operating entity.

The accompanying financial statements have been prepared on the basis of accounting principles applicable to a going concern. Accordingly, they do not give effect to adjustment that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and retire its liabilities in other than the normal course of business and at amounts different from those in the accompanying financial statements. The Company's ability to continue as a going concern is dependent upon achieving profitable operations and/or upon obtaining additional financing. The outcome of these matters cannot be predicted at this time.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Development Stage Company**

The Company is considered to be in the development stage as defined in Statement of Financial Accounting Standards No. 7. On December 30, 2003, the Company sold its shares of RBI.

**(b) Comparative Figures**

The comparative figures in these financial statements are consolidated and include the accounts of the Company and the accounts of its wholly-owned subsidiary RedCell Batteries Inc. to December 30, 2003 (formerly RedCell Canada Inc.).

**REDCELL POWER CORPORATION**  
(A Development Stage Company)  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2004**

**(Unaudited - Prepared by Management)**

**(Stated in US Dollars)**

**2. SIGNIFICANT ACCOUNTING POLICIES - Continued**

**(c) Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**(d) Foreign Currency Translation**

The Company's functional currency is the U.S. dollar. Transactions in foreign currency are translated into U.S. dollars as follows:

- Monetary items at the rate prevailing at the balance sheet date;
- Non-monetary items at the historical exchange rate; and
- Revenue and expenses at the average rate of exchange in effect during the applicable accounting period.

**(e) Stock-Based Compensation**

SFAS 123 "Accounting for stock based compensation", defines a fair value based method of accounting for employee stock options. Under this fair value method, compensation cost is measured at the date of grant based on the fair value of the award and is recognized over the vesting period. However SFAS 123 allows an entity to continue to measure compensation costs related to stock options costs in accordance with Accounting Principle Board Statement No. 25 (APB 25). The Company has elected to measure compensation related to stock options in accordance with APB 25. Accordingly, since the fair value of the shares was less than the price of stock options at the date of grant, there is no compensation to be recognized under US GAAP.

In December 2002, FASB issued SFAS No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure". SFAS 148 amends SFAS No. 123, to provide alternative methods of transition for a voluntary change to the fair value method of accounting for stock-based employee compensation. In addition, SFAS 148 amends the disclosure requirements of SFAS 123 to require prominent disclosures in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results. SFAS No. 148 is effective for fiscal years beginning after December 15, 2002. The Company adopted SFAS No. 148, on January 1, 2003 with no material impact on its financial statements.

**REDCELL POWER CORPORATION**  
(A Development Stage Company)  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2004**

**(Unaudited - Prepared by Management)**

**(Stated in US Dollars)**

**2. SIGNIFICANT ACCOUNTING POLICIES - Continued**

**(f) Loss Per Share**

Basic loss per share is calculated based on the weighted average number of shares outstanding during the period, in accordance with Statement of Financial Accounting Standards No. 128, "Earnings per Share".

**(g) Fair Value of Financial Statements**

All significant financial assets, financial liabilities and equity instruments of the Company are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk. Where practicable the fair values of financial assets and financial liabilities have been determined and disclosed; otherwise only available information pertinent to fair value has been disclosed.

**(h) Income Taxes**

Income taxes are provided for using the liability method of accounting in accordance with Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes". A deferred tax asset or liability is recorded for all temporary differences between financial and tax reporting. Deferred tax expense/(benefit) results from the net change during the year of deferred tax assets and liabilities.

**(i) Comprehensive Loss**

In June 1997, the FASB issued SFAS No. 130 "Reporting comprehensive income". SFAS 130 requires that total comprehensive income and comprehensive income per share be disclosed with equal prominence as net income and net income per share. Comprehensive income is defined as changes in shareholders' equity exclusive of transactions with owners such as capital contributions and dividends. There are no comprehensive income items for the periods reported.

**REDCELL POWER CORPORATION**  
(A Development Stage Company)  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2004**

**(Unaudited - Prepared by Management)**

**(Stated in US Dollars)**

**3. RELATED PARTY TRANSACTIONS**

There is a liability to a related party secured against the assets of the Company in the amount of \$540,832 (December 31, 2003 - \$536,064). These advances do not bear interest, and have no fixed terms, accordingly the fair value cannot be practicably determined.

During the six months ended June 30, 2004, the Company incurred consulting fees of \$60,000 (June 30, 2003 - \$Nil) with respect to services rendered by a company in which a director has an interest. As at June 30, 2004 the total amount due to the related company was \$180,000 (December 31, 2003 - \$120,000).

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

**4. COMMON STOCK**

- (a) On May 18, 1998 the Company issued 1,000,000 common shares for \$10,000 cash.
- (b) On February 1, 2000 the Company issued 65,000 commons shares for \$10,000 cash.
- (c) On August 1, 2000 the Company issued 10,000 common shares for \$300 cash.
- (d) On August 1, 2000 the Company completed a 2.5 for 1 stock split. This has been reflected in the statement of stockholders' equity on a retroactive basis.
- (e) On January 15, 2001 the Company issued 100,000 common shares for \$2,000 cash.
- (f) On August 10, 2001 the Company issued 50,000 common shares for \$50 cash.
- (g) On May 24, 2002 the company completed a reverse stock split 1 for 10. This has been reflected in the statement of stockholders' equity on a retroactive basis.
- (h) On July 25, 2002 the Company issued 320,000 common shares for \$320 cash.

**REDCELL POWER CORPORATION**  
(A Development Stage Company)  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2004**

**(Unaudited - Prepared by Management)**

**(Stated in US Dollars)**

**5. NEW ACCOUNTING PRONOUNCEMENTS**

SFAS No. 123 (revised 2004), Share-Based Payment. For public companies, the cost of employee services received in exchange for equity instruments generally should be measured at fair value at the grant date. The cost of employee services received in exchange for an award of liability instruments should be measured initially at fair value and re-measured subsequently at each reporting date through the settlement date. Public entities that file as small business issuers must comply as of the beginning of the first interim or annual reporting period that begins after December 15, 2005.

SFAS No. 150, Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity. This Statement was effective for financial instruments entered into or modified after May 31, 2003, and otherwise was effective at the beginning of the first interim period beginning after June 15, 2003, except for:

\* Mandatorily redeemable noncontrolling interests that would not have to be classified as liabilities by the subsidiary, under the "only upon liquidation" exception in paragraph 9 of SFAS 150, but would be classified as liabilities by the parent in consolidated financial statements, the classification and measurement provisions (but not the disclosure provisions) of SFAS 150 are deferred indefinitely pending further Board action.

\* Other mandatorily redeemable noncontrolling interests that were issued before November 5, 2003, the measurement provisions of SFAS 150 are deferred indefinitely, both for the parent in consolidated financial statements and for the subsidiary that issued the instruments that result in the mandatorily redeemable noncontrolling interest, pending further Board action. However, the classification and disclosure provisions are not deferred.

SFAS No. 153, Exchanges of Nonmonetary Assets - an amendment of APB Opinion No. 29. This amendment to Opinion No. 29 eliminates the fair value exception for nonmonetary exchanges of similar productive assets and replaces it with a general exception for exchanges of nonmonetary assets that do not have commercial substance. The Statement is effective for nonmonetary asset exchanges occurring in periods beginning after June 15, 2005.

In addition, the FASB and Emerging Issues Task Force ("EITF") have issued a variety of interpretations including the following interpretations with wide applicability.

EITF Issue No. 03-1, The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments. The effective date for the measurement and recognition guidance contained in paragraphs 10 through 20 of Issue 03-1 is delayed. The disclosure guidance in paragraphs 21 and 22 of Issue 03-1 remains effective.



**REDCELL POWER CORPORATION**  
(A Development Stage Company)  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2004**

**(Unaudited - Prepared by Management)**

**(Stated in US Dollars)**

**5. NEW ACCOUNTING PRONOUNCEMENTS - Continued**

EITF Issue No. 03-13, Applying the Conditions in Paragraph 42 of FASB Statement No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets", in Determining Whether to Report Discontinued Operations. This Issue describes an approach for evaluating whether criteria have been met for classifying as discontinued operations the results of operations of a component of an entity that either has been disposed of or is classified as held for sale in fiscal periods beginning after December 15, 2004.

EITF Issue No. 04-1, Accounting for Preexisting Relationships between the Parties to a Business Combination This Issue concludes that a business combination between two parties having a preexisting relationship is a multiple-element transaction with one element being the business combination and the other element being the settlement of the preexisting relationship. The consensus should be applied to business combinations consummated and goodwill impairment tests performed in reporting periods beginning after October 13, 2004.

The adoption of these new pronouncements is not expected to have a material effect on the Company's financial position or results of operations.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

### **REDCELL POWER CORPORATION**

(Registrant)

By: /s/ Cameron King

Cameron King

Chief Executive Officer and Director

Date: April 22, 2005



**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER  
PURSUANT TO SECTION 302 OF THE  
SARBANES-OXLEY ACT OF 2002**

I, Cameron King, Chief Executive Officer and Acting Chief Financial Officer, of RedCell Power Corporation, certify that:

I have reviewed this quarterly report on Form 10-QSB of RedCell Power Corporation;

Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report.

Based on my knowledge, the financial statements, and other financial information included in the report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in the report.

I and the other certifying officers are responsible for establishing and maintaining disclosure controls and procedures for the Company.

I and the other certifying officers have designed such disclosure controls and procedures to ensure that material information is made known to us, particularly during the period in which the periodic report is being prepared.

I and the other certifying officers have evaluated the effectiveness of the Company's disclosure controls and procedures as of a date within 90 days prior to the filing date of this report; and

I and the other certifying officers have presented in this report our conclusions about the effectiveness of the disclosure controls and procedures based on the required evaluation as of that date.

I and the other certifying officers have disclosed to the Company's auditors and to the audit committee of the board of directors (or persons fulfilling the equivalent function):

- (i) all significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data and have identified for the Company's auditors any material weaknesses in internal controls; and
- (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls; and

I and the other certifying officers have indicated in this report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Dated: April 22, 2005

“Cameron King”

\_\_\_\_\_  
Cameron King  
Chief Executive Officer, Acting Chief Financial Officer





**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER  
PURSUANT TO SECTION 906 OF THE  
SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of RedCell Power Corporation (the “Company”) on Form 10-QSB for the quarter ended June 30, 2004 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I Cameron King, Chief Executive Officer and Acting Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Cameron King

Cameron King  
Chief Executive Officer, Acting Chief Financial Officer  
April 22, 2005

