

KEYMODE LIMITED  
DIRECTORS' REPORT

The Directors present the Annual Accounts for the year ended 28th February 2002 and report thereon:-

Directors

The Directors who served during the year and their respective family interests in the shares of the Company were as follows:-

	<u>2001</u>	<u>2002</u>
Mr A.M. Smith	33	33
Mr P.E. Raby-Smith	33	33
Mrs J.C.E. Carling	33	33

The Director retiring by rotation is Mr A.M. Smith who being eligible will offer himself for re-election at the forthcoming Annual General Meeting.

Directors' Responsibilities

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the Accounts;
- prepare the Accounts 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 Accounts 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.

Principal Activities

The principal activity of the Company is to hold investments.

There has not been any significant change in this activity during the year.

Donations

There were no political or charitable donations made in the year.

Small Company Exemptions

This report has been prepared taking advantage of the exemptions provided by Part II of Schedule 8 of the Companies Act 1985.

By Order of the Board

P.E. Raby-Smith, Secretary



KEYMODE LIMITED  
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 28TH FEBRUARY 2002

The Company has no recognised gains or losses other than those shown on the Profit and Loss Account on page 5.

NOTE OF HISTORICAL COST PROFITS AND LOSSES

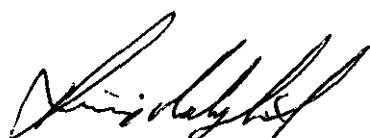
The difference between the results as disclosed in the Profit and Loss Account and the result on an unmodified historical cost basis is not material.

KEYMODE LIMITED  
BALANCE SHEET AS AT 28TH FEBRUARY 2002

	<u>2001</u> £	<u>2002</u> £
<u>Fixed Assets</u>		
Investments	55298	55298
<u>Current Assets</u>		
Cash at Bank	949	1326
 Total Assets Less Current Liabilities	 _____ 56247	 _____ 56624
 <u>Less Creditors</u> (Amounts falling due after more than one Year)	 43638	 43638
	<u>12609</u>	<u>12986</u>
 <u>Represented by Capital and Reserves</u>		
Called Up Share Capital	99	99
 Profit and Loss Account	 12510	 12887
	<u>12609</u>	<u>12986</u>

These Accounts have been prepared taking advantage of the exemptions provided by Part 1 of Schedule 8 of the Companies Act 1985, on the grounds that in the Directors' opinion, the Company is entitled to those exemptions as a Small Company.

Approved by the Board of Directors on 17 April 2002 and signed on their behalf by:



P.E. Raby-Smith (Director)

KEYMODE LIMITED

Statement by the Directors to accompany the Accounts for the year ended 28th February 2002.

The directors confirm that a) for the above year the company was entitled to the exemption conferred by subsection (1) of section 249A of the Companies Act 1985

b) no notice has been deposited under subsection (2) of section 249B in relation to its accounts for the said financial year.

c) that the directors acknowledge their responsibilities for:

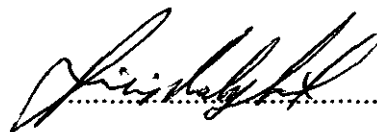
i) ensuring that the Company keeps accounting records which comply with section 221 of the Companies Act 1985, and

ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the Company,

d) advantage has been taken of the exemptions conferred by Section A of Part III of Schedule 8, and

e) in the opinion of the directors, the Company is entitled to those exemptions on the basis that it qualifies as a small company.

Signed on behalf of the Board of Directors

..... Director

KEYMODE LIMITED  
PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 28TH FEBRUARY 2002

	<u>2001</u>	<u>2002</u>
Gross Income from Quoted Investments	420	447
Bank Charges	14	11
Sundry Expenses	15	15
	<hr/>	<hr/>
Profit before Taxation for the Year	391	421
Taxation - previous year adjustment		
Taxation - current year	27	44
	<hr/>	<hr/>
Retained Profit for the Year	<u>364</u>	<u>377</u>

KEYMODE LIMITED  
NOTES ON ACCOUNTS TO 28TH FEBRUARY 2002

Accounting Policies

- (a) These accounts have been prepared under the Historical Cost Convention.
- (b) Investments which have been classified as Fixed Assets are included at cost, less any reductions in the value of those investments which are considered to be permanent.
- (c) Cash Flow Statement  
The Company has taken advantage of the exemption contained within Financial Reporting Standard No. 1 from the requirement to prepare a Cash Flow Statement on the grounds that it qualifies as a Small Company as defined by Section 247 of the Companies Act 1985.

NOTES SUPPLEMENTING THE PROFIT AND LOSS ACCOUNT

2. Profits and Losses have been calculated after crediting:-

	<u>2001</u> £	<u>2002</u> £
Income from Fixed Asset Investments	420	447

3. Taxation

The taxation charge for the year on ordinary profits consists of:-

	<u>2001</u> £	<u>2002</u> £
Tax on Franked Investment Income	26	44

4. (a) Investments (held as Fixed Assets)

	<u>Cost at</u> <u>28.2.01</u>	<u>Cost at</u> <u>28.2.02</u>
	£	£
Shares in Related Companies	43427	43427
Loans to Related Companies	3850	3850
Other Investments	8290	8290
	<u>55567</u>	<u>55567</u>

(b) Listed Investments

Included in "Other Investments" are the following amounts:

	<u>2001</u>		<u>2002</u>	
	<u>Recognised Stock Exchange</u>			
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
		<u>Value</u>		<u>Value</u>
	£	£	£	£
Total held under Fixed Assets	<u>4202</u>	<u>14854</u>	<u>4202</u>	<u>12757</u>

5. Creditors

(a) Repayable

	<u>2001</u>		<u>2002</u>	
	<u>within</u>	<u>after</u>	<u>within</u>	<u>after</u>
	<u>12 mths</u>	<u>12 mths</u>	<u>12 mths</u>	<u>12 mths</u>
	£	£	£	£
Other Creditors	<u>-</u>	<u>43639</u>	<u>-</u>	<u>43638</u>

- 6 (a) Loans from Participators:- loans amounting to £369 (2001 £369) have been classified as other creditors; these loans are unsecured and repayable on demand; they do not carry interest. They have been treated as creditors repayable in more than 12 months on the basis that no significant amount is likely to be repaid before the end of the next accounting period and from this form of disclosure is considered necessary to prevent distortion of the financial results and position of the Company.

- (b) Loans from Connected Companies:- a loan from a company connected by common ownership has been classified as repayable in more than 12 months in order to show a true and fair view of the Balance Sheet. The loan is repayable on demand and has been classified as Other Creditors and amounts to £43122 (2001 £43122).

7. <u>Share Capital</u>	<u>Authorised</u>		<u>Allotted and Fully Paid</u>	
	<u>2001</u>	<u>2002</u>	<u>2001</u>	<u>2002</u>
Ordinary Shares of £1 Each	100	100	99	99
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

8. Reconciliation of Movement on Shareholders Funds

	<u>2001</u>	<u>2002</u>
	£	£
Profit or (Loss) for the financial year after taxation	364	377
Opening shareholders' funds at 1st March 2001	12245	12609
	<u>          </u>	<u>          </u>
Closing shareholders' funds at 28th February 2002	12609	12986
	<u>          </u>	<u>          </u>