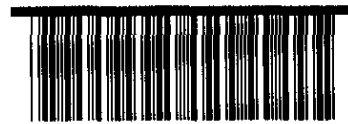


SL17/778

KEY-TECH (SCOTLAND) LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 30TH APRIL 2004



SCT 828FOYD 0602
COMPANIES HOUSE 14/09/04

KEY-TECH (SCOTLAND) LIMITED

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FOR THE YEAR ENDED 30TH APRIL 2004**

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KEY-TECH (SCOTLAND) LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 30TH APRIL 2004

DIRECTORS:	Dr James Brown Brian D R Keyte
SECRETARY:	Young & Partners
REGISTERED OFFICE:	Young & Partners New Law House Saltire Centre Glenrothes KY6 2DA
REGISTERED NUMBER:	171778 (Scotland)
AUDITORS:	Rutherford Watson Chartered Accountants Registered Auditors Balcairn Viewfield Dunfermline KY12 7HY
SOLICITORS:	Young & Partners New Law House Saltire Centre Glenrothes KY6 2DA

**REPORT OF THE INDEPENDENT AUDITORS TO
KEY-TECH (SCOTLAND) LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages three to six, together with the full financial statements of the company for the year ended 30th April 2004 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

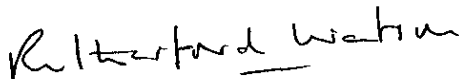
The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages three to six are properly prepared in accordance with those provisions.



Rutherford Watson
Chartered Accountants
Registered Auditors
Balcairn
Viewfield
Dunfermline
KY12 7HY

31st August 2004

KEY-TECH (SCOTLAND) LIMITED

**ABBREVIATED BALANCE SHEET
30TH APRIL 2004**

		2004		2003	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	2		546,918		559,019
CURRENT ASSETS:					
Stocks		356,314		170,659	
Debtors		966,724		566,035	
Cash at bank and in hand		42		66,507	
		<u>1,323,080</u>		<u>803,201</u>	
CREDITORS: Amounts falling due within one year	3	<u>940,359</u>		<u>584,702</u>	
NET CURRENT ASSETS:			<u>382,721</u>		<u>218,499</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			929,639		777,518
CREDITORS: Amounts falling due after more than one year	3		(230,483)		(238,712)
PROVISIONS FOR LIABILITIES AND CHARGES:			<u>(40,578)</u>		<u>(37,028)</u>
			<u>£658,578</u>		<u>£501,778</u>
CAPITAL AND RESERVES:					
Called up share capital	4		51,189		51,189
Other reserves			11,664		11,664
Profit and loss account			595,725		438,925
SHAREHOLDERS' FUNDS:			<u>£658,578</u>		<u>£501,778</u>

These abbreviated accounts have 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:



Dr James Brown - Director



Brian D R Keyte - Director

Approved by the Board on 31st August 2004

The notes form part of these abbreviated accounts

KEY-TECH (SCOTLAND) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30TH APRIL 2004

1. ACCOUNTING POLICIES

Accounting convention

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

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Leasehold improvements	- 33% on cost
Plant and machinery	- 20% on cost
Fixtures and fittings	- 20% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 33% on cost

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Warranty provision

Provision is made at 1% of turnover to cover possible batch return of faulty goods for replacement or corrective action.

KEY-TECH (SCOTLAND) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30TH APRIL 2004

2. TANGIBLE FIXED ASSETS

	Total
	<u>£</u>
COST:	
At 1st May 2003	726,788
Additions	<u>69,878</u>
At 30th April 2004	<u>796,666</u>
DEPRECIATION:	
At 1st May 2003	167,769
Charge for year	<u>81,979</u>
At 30th April 2004	<u>249,748</u>
NET BOOK VALUE:	
At 30th April 2004	<u>546,918</u>
At 30th April 2003	<u>559,019</u>

3. CREDITORS

The following secured debts are included within creditors:

	2004	2003
	£	£
Bank overdrafts	140,202	-
Bank loans	<u>250,474</u>	<u>170,415</u>
	<u>390,676</u>	<u>170,415</u>

Creditors include the following debts falling due in more than five years:

	2004	2003
	£	£
Repayable otherwise than by instalments		
Directors' long term loans	<u>-</u>	<u>51,000</u>
Repayable by instalments		
Bank loans	<u>75,637</u>	<u>-</u>

KEY-TECH (SCOTLAND) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30TH APRIL 2004

4. CALLED UP SHARE CAPITAL

Authorised: Number:	Class:	Nominal value:	2004 £	2003 £
50,000	Ordinary A	£1	50,000	50,000
50,000	Ordinary B	£1	50,000	50,000
			<u>100,000</u>	<u>100,000</u>

Allotted, issued and fully paid: Number:	Class:	Nominal value:	2004 £	2003 £
50,000	Ordinary A	£1	50,000	50,000
1,189	Ordinary B	£1	1,189	1,189
			<u>51,189</u>	<u>51,189</u>

The Ordinary B shares have no voting rights and any dividend is at the discretion of the directors.

5. TRANSACTIONS WITH DIRECTORS

(a) LOANS TO COMPANY FROM DIRECTORS

	Dr James Brown £	Mr Brian Keyte £
At 1st May 2003	35,927	34,030
Net advances during year	<u>1,441</u>	<u>1,436</u>
At 30th April 2004	<u>37,368</u>	<u>35,466</u>

Interest is payable at 6% per annum on the loans from the directors. The directors are committed to leaving a total sum of £51,000 on loan to the company until 31st October 2004 in connection with the grants received from the Scottish Office.

(b) USE OF HOUSE AS OFFICE

The directors carry out some administration work from their respective homes. A charge of £8.50 per week per director has been made to reflect this.