

**KEYRAD LIMITED**  
**DIRECTORS REPORT AND ACCOUNTS**  
**31ST DECEMBER 1998**



**KEYRAD LIMITED**  
**DIRECTORS REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 1998**  
**REGISTERED NUMBER 3266902**

The Directors of the Company present their report to the members together with Financial Statements for the year ended 31st December 1998 .

**Statement of 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 and of the profit or loss of the Company for that year. In preparing those financial statements, the directors are required to:-

select suitable accounting policies and then apply them consistently;

make judgements and estimates that are reasonable and prudent;

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. They are also responsible for safe-guarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Activities**

The Company's principal activity is that of investment holding from which it receives dividend income. The Directors do not envisage any change to these activities in the foreseeable future.

The financial position of the Company at 31 December 1998 and the loss for the year ended on that date are set out in the annexed accounts. No dividend is proposed in respect of the year.

**Fixed Assets**

No additions to or disposals of fixed assets were made during the year.

**Directors**

The Directors of the Company during the year were:

	Date Appointed	Date Resigned
N J M Bell	23.10.96	
R T Gibson	12.11.96	
R J L Boerenbeker	12.11.96	

Mr. Bell holds one ordinary share in the Company.

**Secretaries**

The Secretaries of the Company during the year were:

Caversham Secretaries limited	23.10.96
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**Small Company Exemptions**

In preparing this report, the Directors have taken advantage of special exemptions applicable to small companies.

**Registered Office**

Audit House,  
151 High Street,  
Billericay, Essex  
CM12 9AB

**BY ORDER OF THE BOARD  
SECRETARY**

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**CAVERSHAM SECRETARIES  
LIMITED**

**KEYRAD LIMITED  
BALANCE SHEET  
AS AT 31 DECEMBER 1998**

	Note	£	1998 £	£	1997 £
<b>FIXED ASSETS</b>	6				
Unquoted investment			24,724		24,724
<b>CURRENT ASSETS</b>					
Cash at Bank		1,928		1,967	
<b>CREDITORS: Amounts falling due within one year</b>	7	(10,981)		(2,130)	
<b>NET CURRENT (LIABILITIES)</b>			(9,053)		(163)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			15,671		24,561
<b>CREDITORS: Amounts falling due after more than one year</b>	8		(27,028)		(25,873)
			£ (11,357)		£ (1,312)
			=====		=====
<b>CAPITAL AND RESERVES</b>					
Share Capital	9		2		2
Profit and Loss Account			(11,359)		(1,314)
			£ (11,357)		£ (1,312)
			=====		=====

The directors acknowledge their responsibilities for ensuring the company keeps accounting records that comply with s221 and preparing accounts that give a true and fair view in accordance with s226 and otherwise comply with the Companies Act 1985.

The directors confirm the company was entitled to exemption from an audit under S249A(1) and no notice was deposited under s249B(2) in relation to these accounts.

Advantage has been taken in preparation of the financial statements of the special exemptions conferred by Part I of Schedule 8 to the Companies Act 1985 on the grounds that the company qualifies as a small company.

The financial statements were approved by the Board  
on *26 October* October 1999 and signed on its behalf by:



.....DIRECTOR

The Notes on pages 4 to 6 form part of these accounts.

**KEYRAD LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 1998**

	Note	1998 £	1997 (14 months) £
Dividends received	2	-	8,142
Administrative Expenses		(10,042)	(8,660)
Interest payable and similar charges		(37)	(819)
Bank deposit interest		34	23
Loss on ordinary activities before taxation	3	(10,045)	(1,314)
Taxation on ordinary activities	5	-	-
Loss on ordinary activities after taxation		(10,045)	(1,314)
Dividends		-	-
Loss brought forward		(1,314)	-
Loss for the year carried forward		£ (11,359)	£ (1,314)

The Company has no recognised gains or losses for the above financial year other than the loss shown above and therefore no separate statement of total recognised gains or losses has been prepared.

All of the Company's activities were continuing during the financial year, and no activity was discontinued during the above financial year.

The notes on pages 4 to 6 form part of these accounts.

# KEYRAD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1998

### 1. ACCOUNTING POLICIES

The Financial Statements have been prepared under the Historical Cost Convention, in accordance with applicable accounting standards. The significant accounting policies used by the Company in the preparation of these Financial Statements are as follows:

#### FOREIGN EXCHANGE

The Company's books are maintained in Sterling (£). Transactions in other currencies are converted to sterling at the rate of exchange ruling on the day of the transaction. Assets and liabilities denominated in other currencies at the balance sheet date are converted using rates of exchange ruling at the balance sheet date and any surplus or deficit on exchange is taken to the profit and loss account.

#### CONSOLIDATION

The accounts of the subsidiary Satellit Bildgruppen Norrort Aktiebolag have not been consolidated, on the basis that the Directors believe that the group headed by the Company qualifies as a small-sized group and is not an ineligible group under the provisions of section 248, Companies Act 1985. As a result, the financial statements of the Company present information about the Company as an individual undertaking and not about its group.

#### CASH FLOW STATEMENT

The Company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

### 2. DIVIDENDS RECEIVED

The majority of the Company's income is in the form of dividends derived from its investment in its wholly-owned subsidiary.

### 3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The loss on ordinary activities is stated after charging

	1998	1997
Directors' fees	£ - =====	£ 1,115 =====

### 4. DIRECTORS' EMOLUMENTS

Directors' fees for the year amounted to £ nil (1997 : £1,115). In addition, administrative expenses include amounts totalling £9,076 (1997: £8,405) which were for services provided by a firm connected to Mr N J M Bell.

### 5. TAXATION

The Company is incorporated in England and Wales and liable to taxation in the UK .

KEYRAD LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1998 (CONTINUED)

6. **FIXED ASSETS**

**Unquoted Investment**

	1998	1997
Satellit Bildgruppen Norrort Aktiebolag		
2,000 shares of SEK 100 each at cost	£24,724 =====	£24,724 =====

The investment comprises the whole of the issued capital of the subsidiary, which is registered in Sweden.

In the opinion of the Directors, the value of the investment at the balance sheet date was not less than the cost shown above.

The aggregate of the capital and reserves of the subsidiary at 31 December 1998 was Swedish Kroner 552,317 (1997: Swedish kroner 3,465,260), and its loss for the year ended 31 December 1998 was Swedish Kroner 542,057 (1997: Swedish kroner 2,434,586).

The aggregate of the capital and reserves of the subsidiary calculated on the basis that its Financial Statements were consolidated to include those of its subsidiary company was Swedish Kroner 634,196 (1997: Swedish kroner 3,525,537) at 31 December 1998. The consolidated profit of the subsidiary and its subsidiary for the year ended 31 December 1998 was Swedish Kroner 617,658 (1997: Swedish kroner 702,455).

7. <b>CREDITORS:</b> Amounts falling due within one year	1998	1997
Sundry Creditors and accruals	£10,981 =====	£2,130 =====

8. **CREDITORS:** Amounts falling due after more than one year

Loan from Wells Way Limited	£27,028 =====	£ 25,873 =====
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The loan is unsecured, interest-free and without fixed date for repayment.

9. **SHARE CAPITAL**

Authorised : 1,000 Ordinary shares of £ 1 each	£1,000 =====	£ 1,000 =====
Issued : 2 Ordinary shares of £ 1 each	£ 2 =====	£ 2 =====

# KEYRAD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 1998 (CONTINUED)

#### 10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1998 £	1997 £
Shareholders' funds at 1 January 1998	(1,312)	-
Shares issued	-	2
Loss for the year	(10,045)	(1,314)
	<u>          </u>	<u>          </u>
Shareholders' funds at 31st December 1998	£ (11,357) =====	£ (1,312) =====

#### 11. COUNTRY OF INCORPORATION

The Company was incorporated in England and Wales on the 22<sup>nd</sup> October 1996.

#### 12. RELATED PARTIES

The company is controlled by its directors. The company is ultimately controlled by Premier Life (Bermuda) Limited. N.J.M.Bell who is a director of the company is also a registered shareholder.

The company has a loan from Wells Way Limited, a company also controlled by Premier Life (Bermuda) Limited. This is shown in note 8 above under Loan from Wells Way Limited. The loan was for payment of expenses.

#### 13. HOLDING COMPANY

The company's immediate parent company is Wells Way Limited, a company incorporated in the Commonwealth of the Bahamas.