

Company Number 3266902

KEYRAD LIMITED
DIRECTORS REPORT AND ACCOUNTS
31ST DECEMBER 1999



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KEYRAD LIMITED

DIRECTORS REPORT FOR THE YEAR ENDED 31 DECEMBER 1999

The Directors of the Company present their report to the members together with Financial Statements for the year ended 31st December 1999.

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 safeguarding 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 1999 and the profit for the year ended on that date are set out in the annexed accounts. The directors have declared a dividend totalling £ 258,880 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	01.09.00
R T Gibson	12.11.96	01.09.00
R J L Boerenbeker	12.11.96	01.09.00
S Leak	01.09.00	
F Robinson	01.09.00	
Caversham Management Limited	01.09.00	

Secretaries

The Secretaries of the Company during the year were:

Caversham Secretaries Limited	23.10.96	01.09.00
Marylebone Management Services Limited	01.09.00	

Small Company Exemptions

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

BY ORDER OF THE BOARD

For and on behalf of
CAVERSHAM MANAGEMENT LIMITED

Registered office
5 Marylebone Mews
London W1M 7LF


DIRECTOR

**KEYRAD LIMITED
BALANCE SHEET
AS AT 31 DECEMBER 1999**

	Note	1999 £	£	1998 £	£
FIXED ASSETS	6				
Unquoted investment			24,724		24,724
CURRENT ASSETS					
Debtor		1,971		-	
Cash at Bank		36,584		1,928	
		<u>38,555</u>		<u>1,928</u>	
CREDITORS: Amounts falling due within one year	7	<u>(30,490)</u>		<u>(10,981)</u>	
NET CURRENT ASSETS/(LIABILITIES)			8,065		(9,053)
TOTAL ASSETS LESS CURRENT LIABILITIES			32,789		15,671
CREDITORS: Amounts falling due after more than one year	8		<u>(27,028)</u>		<u>(27,028)</u>
			<u>£ 5,761</u>		<u>£ (11,357)</u>
CAPITAL AND RESERVES					
Share Capital	9		2		2
Profit and Loss Account			5,759		(11,359)
	10		<u>£ 5,761</u>		<u>£ (11,357)</u>

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 23 OCTOBER 2000

**For and on behalf of
CAVERSHAM MANAGEMENT LIMITED**



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 1999

	Note	1999 £	1998 £
Dividends received	2	301,210	-
Administrative Expenses		(10,567)	(10,042)
Interest payable and similar charges		(73)	(37)
Bank deposit interest		428	34
		-----	-----
Profit / (loss on ordinary)activities before taxation	3	290,998	(10,045)
Taxation on ordinary activities	5	(15,000)	-
		-----	-----
Profit / (loss on ordinary)activities after taxation		275,998	(10,045)
Dividends		(258,880)	-
		-----	-----
Profit / (loss) for the year taken to reserves		17,118	(10,045)
Reserves brought forward		(11,359)	(1,314)
		-----	-----
Reserves for the year carried forward		£ 5,759 =====	£ (11,359) =====

The Company has no recognised gains or losses for the above financial year other than the profit 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 1999

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 or at an average rate which is a reasonable approximation thereto. 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. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities is stated after charging:

	1999	1998
Directors' fees	£ - ===	£ - ===

4. DIRECTORS' EMOLUMENTS

Directors' fees for the year amounted to £ nil (1998 : nil). In addition, administrative expenses include amounts totalling £ 1,621 (1998: £ 9,076) 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 1999 (CONTINUED)

6. **FIXED ASSETS**

Unquoted Investment

	1999	1998
Satellit Bildgruppen Norrort Aktiebolaget		
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 1999 was Swedish Kroner 798,180 (1998: Swedish Kroner 792,317), and its profit for the year ended 31 December 1999 was Swedish Kroner 555,863 (1998: Swedish Kroner 542,057).

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 962,298 (1998: Swedish Kroner 928,196) at 31 December 1999. The consolidated profit of the subsidiary and its subsidiary for the year ended 31 December 1999 was Swedish Kroner 584,102 (1998: Swedish Kroner 617,658).

7. CREDITORS: amounts falling due within one year	1999 £	1998 £
Accrued fees payable	15,490	10,981
UK taxation	15,000	-
	£ 30,490 =====	£ 10,981 =====

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

Loan from Wells Way Limited	£ 27,028 =====	£ 27,028 =====
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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 =====
Issued: 2 Ordinary shares of £ 1 each	£ 2 =====

KEYRAD LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1999 (CONTINUED)

10.	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	1999	1998
		£	£
	Shareholders' funds at 1 January	(11,357)	(1,312)
	Profit / (loss) for the year	275,998	(10,045)
	Dividends paid	(258,880)	-
		<hr/>	<hr/>
	Shareholders' funds at 31 December	£ 5,761	£ (11,357)
		<hr/>	<hr/>

11. COUNTRY OF INCORPORATION

The Company was incorporated in England and Wales on the 22 October 1996 with company number 3266902.

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 unchanged during the year.

13. HOLDING COMPANY

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