

SCT (HOLDINGS) LIMITED

Report and Financial Statements

30 April 2004



Deloitte & Touche LLP
Cardiff

REPORT AND FINANCIAL STATEMENTS 2004

CONTENTS	Page
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	3
Independent auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

M E Sanders
J R Hughes
D G Sanders
T Sugiura
J F Holmes
K Kandhola
A J Williams
A Williams
S Bartz
A Davies
R Pugh

SECRETARY

A J Williams (resigned 14/6/04)
S Bartz (appointed 14/6/04)

REGISTERED OFFICE

SCT House
Charnwood Court
Heol Billingsley
Parc Nantgarw
Nantgarw
Cardiff
CF15 7QZ

BANKERS

Bank of Scotland Plc

SOLICITORS

Morgan Cole

AUDITORS

Deloitte & Touche LLP
Chartered Accountants
Cardiff

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 April 2004.

ACTIVITIES

The principal activity of the company is that of a holding company of SCT (UK) Limited.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The directors are satisfied with the result for the financial year and the year-end financial position, and are optimistic regarding the company's future prospects.

DIVIDENDS

The directors have not declared a dividend but, in accordance with FRS4, the dividend on the cumulative preference shares has been apportioned to a separate reserve.

DIRECTORS AND THEIR INTERESTS

The present directors of the company, who served throughout the financial year, are as set out on page 1. Their interests in the company's shares at the beginning and the end of the financial year were:

	Ordinary shares of £1 each 30 April 2004 No.	Ordinary shares of £1 each 1 May 2003 No.
M E Sanders	23,300	23,300
J R Hughes	13,300	13,300
D G Sanders	13,300	13,300
T Sugiura	-	-
J F Holmes (resigned 13/5/04)	-	-
K Kandhola	-	-
A J Williams	5,100	5,100
S Bartz	-	-
A Williams (resigned 31/3/04)	-	-
A Davies (appointed 14/6/04)	-	-
R Pugh (appointed 1/1/05)	-	-

The directors had no interests in the issued share capital of the subsidiary company, Talk Training Limited (formerly SCT(UK) Limited), at either 30 April 2004 or 30 April 2003.

AUDITORS

Deloitte & Touche LLP have indicated their willingness to continue in office as the company's auditors and a resolution for their reappointment will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



S Bartz
Secretary

Date 19th MAY 2005

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 as at the end of the financial year and of the profit or loss of the company for that period. 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; and*
- 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 enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCT (HOLDINGS) LIMITED

We have audited the financial statements of SCT (Holdings) Limited for the year ended 30 April 2004 which comprise the profit and loss account, the balance sheet and the related notes 1 to 16. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Going concern

In forming our opinion, we have considered the adequacy of the disclosure made in note 1 to the accounts concerning the continuation of support by the bankers and creditors of the company. In view of the significance of this matter, we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 30 April 2004 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP
Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Cardiff

Date *17 May 2005*.....

PROFIT AND LOSS ACCOUNT
Year ended 30 April 2004

		2004	2003
		£	£
	Note		
Administrative expenses		-	(8,814)
		<u>-</u>	<u>(8,814)</u>
OPERATING LOSS: continuing operations		-	(8,814)
Income from investment in subsidiary		-	320,000
Interest payable and similar charges	4	-	(8,183)
		<u>-</u>	<u>(8,183)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	303,003
Tax on profit on ordinary activities	5	-	-
		<u>-</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		-	303,003
Dividends	6	(44,005)	(50,076)
		<u>(44,005)</u>	<u>(50,076)</u>
RETAINED (LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u>(44,005)</u>	<u>252,927</u>

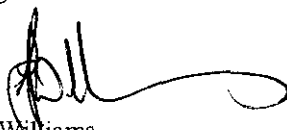
There are no recognised gains and losses for the current or prior financial year other than as stated in the profit and loss account and, accordingly, no statement of total recognised gains and losses is presented.

BALANCE SHEET
30 April 2004

	Note	2004 £	2003 £
FIXED ASSETS			
Investments	7	<u>1,952,025</u>	<u>1,952,025</u>
CURRENT ASSETS			
Cash at bank and in hand		700	700
CREDITORS: amounts falling due within one year	8	<u>(75,000)</u>	<u>(90,000)</u>
NET CURRENT LIABILITIES		<u>(74,300)</u>	<u>(89,300)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,877,725	1,862,725
CREDITORS: amounts falling due after more than one year	9	<u>(672,882)</u>	<u>(657,882)</u>
NET ASSETS		<u>1,204,843</u>	<u>1,204,843</u>
CAPITAL AND RESERVES			
Called up share capital	10	751,000	751,000
Capital redemption reserve	11	415,000	415,000
Share premium account	11	34,000	34,000
Dividend reserve	11	44,005	-
Profit and loss account	11	<u>(39,162)</u>	<u>4,843</u>
TOTAL SHAREHOLDERS' FUNDS	12	<u>1,204,843</u>	<u>1,204,843</u>
Attributable to:			
Equity shareholders		494,838	538,843
Non-equity shareholders		710,005	666,000

The financial statements have been prepared in accordance with the special provisions relating to small companies under S246 Companies Act 1985.

These financial statements were approved by the Board of Directors on
Signed on behalf of the Board of Directors


A Williams
Director

NOTES TO THE FINANCIAL STATEMENTS**Year ended 30 April 2004****1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted, which have been applied consistently throughout the financial year and the prior financial period, are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Cash flow statement

The company qualifies as a small company under the terms of Section 247 of the Companies Act 1985. As a consequence, it is exempt from the requirement to produce a cash flow statement.

Investments

Fixed asset investments are stated at cost less any provisions for impairment.

Deferred taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Going concern

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future. The validity of this assumption depends on the continued support of the company's bankers and other creditors by providing adequate overdraft and credit facilities. The directors are confident that this support will be made available.

If the company were unable to continue in operational existence, adjustments would have to be made to reduce the balance sheet value of assets to the recoverable amounts, to provide for further liabilities that might arise and to reclassify fixed assets and long term liabilities as current assets and liabilities.

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The directors received no remuneration in either the current or the prior financial year. The directors are also directors of Talk Training Limited (formerly SCT (UK) Limited) and details of their remuneration are given in the financial statements of that company. It is not practicable to allocate their remuneration between their services as directors to SCT (Holdings) Limited and to Talk Training Limited (formerly SCT (UK) Limited).

There were no other employees in either of the financial periods.

3. OPERATING LOSS

Auditors' remuneration is borne by the company's subsidiary company, Talk Training Limited (formerly SCT (UK) Limited).

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2004	2003
	£	£
Other	-	8,183
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 April 2004

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2004	2003
	£	£
Current taxation		
United Kingdom corporation tax:		
Current tax on income for the year at 30%	-	-
	<u> </u>	<u> </u>
The difference between the current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:		
	£	£
Profit on ordinary activities before tax	-	303,003
	<u> </u>	<u> </u>
Tax on profit on ordinary activities before tax at 30%	-	(90,901)
Factors affecting charge for the year		
Non-taxable group income	-	96,000
Expenses not deductible for tax purposes	-	(2,644)
Increase in tax losses	-	(2,455)
	<u> </u>	<u> </u>
Current tax charge for year	-	-
	<u> </u>	<u> </u>

6. DIVIDENDS

	2004	2003
	£	£
6.5% cumulative preference dividend on non-equity shares	44,005	50,076
	<u> </u>	<u> </u>

No dividend has been declared, however in accordance with FRS4, the dividend on the cumulative preference shares has been apportioned to a separate reserve.

7. INVESTMENTS HELD AS FIXED ASSETS

	£
Cost	
At 1 May 2003 and 30 April 2004	1,952,025
	<u> </u>
Provisions	
At 1 May 2003 and 30 April 2004	-
	<u> </u>
Net book value	
At 30 April 2004 and at 30 April 2003	1,952,025
	<u> </u>

The investment represents the purchase of 100% of the share capital of SCT (UK) Limited.

For the year ended 30 April 2004, Talk Training Limited (formerly SCT (UK) Limited) had a profit on ordinary activities before tax of £109,351 (2003 – loss of £87,925) and at 30 April 2004 had net assets of £697,003 (2003 - £622,173).

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 April 2004

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004 £	2003 £
Directors' loans	75,000	90,000

The loan stock is unsecured.

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2004 £	2003 £
Amounts owed to subsidiary undertaking	672,882	657,882

10. CALLED UP SHARE CAPITAL

	2004 £	2003 £
Authorised		
Ordinary shares of £1 each	100,000	100,000
6.5% cumulative preference shares of £1 each	1,066,000	1,066,000
	<u>1,166,000</u>	<u>1,166,000</u>
Allotted and fully paid		
Ordinary shares of £1 each	85,000	85,000
6.5% cumulative preference shares of £1 each	666,000	666,000
	<u>751,000</u>	<u>751,000</u>

The 6.5% cumulative preference shares of £1 each entitle the holder to receive a cumulative preference dividend at the rate of 6.5% on the paid-up capital. The preference shares do not entitle the holders to any further rights or other participation in the profits or assets of SCT (Holdings) Limited nor do they carry any voting rights.

11. RESERVES

	Capital redemption reserve £	Share premium account £	Profit and loss account £	Dividend Reserve £	Total £
At 1 May 2003	415,000	34,000	4,843	-	453,843
Transfer	-	-	(44,005)	44,005	-
At 30 April 2004	<u>415,000</u>	<u>34,000</u>	<u>(39,162)</u>	<u>44,005</u>	<u>453,843</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 April 2004

12. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2004 £	2003 £
Opening shareholders' funds	1,204,843	1,201,916
Share capital – preference shares	-	(150,000)
Share capital – ordinary shares	-	(100,000)
(Loss)/profit for the year	(44,005)	252,927
	<hr/>	<hr/>
Closing shareholders' funds	<u>1,160,838</u>	<u>1,204,843</u>

13. EXEMPTION TO PRODUCE GROUP FINANCIAL STATEMENTS

The company is taking exemption under S248 of the Companies Act 1985 for the non-preparation of group financial statements because it qualifies as a medium-sized group.

The company has one 100% owned subsidiary, Talk Training Limited (formerly SCT (UK) Limited).

14. ULTIMATE CONTROLLING PARTY

The directors consider that, under the terms of S.258(2) Companies Act 1985, there is no ultimate controlling party.

15. RELATED PARTY TRANSACTION

During the year, the subsidiary company paid directors loan repayments on the company's behalf; the amount paid totalled £15,000 (2003 - £538,302). The balance due to the subsidiary at the year-end was £672,882 (2003 - £657,882).

16. ADDITIONAL INFORMATION ON SUBSIDIARY COMPANY

Subsidiary	Principal activity
Talk Training Limited (formerly SCT (UK) Limited)	Training and Consultancy

The subsidiary is incorporated in Great Britain and is wholly owned.