

3717770

**SCT Holdings Limited**

Report and Financial Statements

Period Ended

31 July 2005



**BDO**  
BDO Stoy Hayward  
Chartered Accountants

**SCT Holdings Limited**

**Report and financial statements for the period ended 31 July 2005**

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**Contents**

**Page:**

1	Report of the directors
3	Report of the independent auditors
5	Profit and loss account
6	Balance sheet
7	Notes forming part of the financial statements

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**Directors**

A Williams  
D Sanders  
J Hughes  
T Sugiura  
S Bartz

**Secretary and registered office**

S Evans, Charnwood Court, Heol Billingsley, Parc Nantgarw, Nantgarw, Cardiff, CF15 7QZ

**Company number**

03717770

**Auditors**

BDO Stoy Hayward LLP, 1 Victoria Street, Bristol, BS1 6AA

## SCT Holdings Limited

### Report of the directors for the period ended 31 July 2005

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The directors present their report together with the audited financial statements for the period ended 31 July 2005

#### Results and dividends

The profit and loss account is set out on page 5 and shows the profit for the period. The directors have not declared a dividend but, in accordance with FRS 4, the dividend on the cumulative preference shares has been apportioned to a separate reserve.

#### Principal activities, review of business and future developments

The company's principal activity is that of a holding company of Talk Training Limited, WASP IT Limited and First Impressions Training Consultants Limited. The directors are satisfied with the result for the financial period and the period-end position, and are optimistic regarding the company's future prospects.

#### Post balance sheet events

The company was refinanced on 31 March 2006. The restructure resulted in a dilution of the former shareholding. This investment, involves a new venture capitalist, who has ultimately taken control of SCT Holdings Limited, and its wholly owned subsidiaries.

#### Charitable and political contributions

During the period the company made charitable contributions of £2,740. There were no political contributions.

#### Directors

The directors of the company during the period and their interests in the ordinary share capital of the company were:

		Ordinary shares of £1 each	
		31 July 2005*	1 May 2004**
A Williams		5,100	5,100
D Sanders		13,300	13,300
J Hughes		13,300	13,300
K Kandhola	(resigned 31 December 2005)	-	-
T Sugiura		-	-
S Bartz		-	-
A Davies	(appointed 15 June 2004) (resigned 18 November 2005)	-	-
R Pugh	(appointed 1 January 2005) (resigned 31 March 2006)	-	-
M Sanders	(resigned 3 June 2005)	23,300	23,300

\* or date of resignation (if earlier)  
\*\* or date of appointment (if later)

The directors had no interest in the issued share capital of the subsidiary companies at either 31 July 2005 or 30 April 2004.

**Directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial period 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 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 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.

**Auditors**

BDO Stoy Hayward LLP were appointed as auditors during the period and have expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the annual general meeting.

**By order of the board**

S Evans



**Secretary**

Date: 25 May 2006

## **SCT Holdings Limited**

### **Report of the independent auditors**

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#### **To the shareholders of SCT Holdings Limited**

We have audited the financial statements of SCT Holdings Limited for the period ended 31 July 2005 on pages 5 to 16 which have been prepared under the accounting policies set out on pages 7 to 8.

#### *Respective responsibilities of directors and auditors*

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom 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 to you 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 and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

#### *Basis of audit opinion*

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board, except that the scope of our work was limited as explained below.

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 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.

Report of the independent auditors (*Continued*)

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*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 group. 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 31 July 2005 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

*BDO Stoy Hayward LLP*

**BDO STOY HAYWARD LLP**

*Chartered Accountants  
and Registered Auditors*

Bristol

Date: *23/6/06*.

SCT Holdings Limited

Profit and loss account for the 15 months ended 31 July 2005

	Note	15 months ended 31 July 2005 £	Year ended 30 April 2004 £
<b>Turnover</b>	2	395,865	-
Administrative expenses		673,723	-
<b>Operating loss</b>	3	(277,858)	-
Income from shares in group undertakings		672,882	-
Other interest receivable and similar income		243	-
Interest payable and similar charges	6	(23,636)	-
<b>Profit on ordinary activities before and after taxation</b>		371,631	-
Dividends (including non-equity)	8	54,202	44,005
<b>Retained profit/(accumulated loss)</b>		317,429	(44,005)
(Accumulated loss)/retained profit brought forward		(39,162)	4,843
<b>Retained profit/(accumulated loss) carried forward</b>		278,267	(39,162)

All amounts relate to continuing activities.

All recognised gains and losses in the current period and prior year are included in the profit and loss account. There are no movements in shareholders' funds in the current period and prior year apart from the profit for the period and year.

The notes on pages 7 to 16 form part of these financial statements.

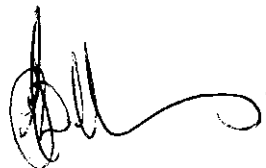
SCT Holdings Limited

Balance sheet at 31 July 2005

	Note	31 July 2005 £	31 July 2005 £	30 April 2004 £	30 April 2004 £
<b>Fixed assets</b>					
Tangible assets	9		7,759		-
Fixed asset investments	10		2,093,290		1,952,025
			<u>2,101,049</u>		<u>1,952,025</u>
<b>Current assets</b>					
Debtors	11	220,988		-	
Cash at bank and in hand		353		700	
		<u>221,341</u>		<u>700</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>745,915</u>		<u>747,882</u>	
<b>Net current liabilities</b>			<u>(524,574)</u>		<u>(747,182)</u>
<b>Total assets less current liabilities</b>			<u>1,576,475</u>		<u>1,204,843</u>
<b>Capital and reserves</b>					
Called up share capital	13		751,000		751,000
Share premium account			34,000		34,000
Capital redemption reserve			415,000		415,000
Dividend reserves			98,208		44,005
Profit and loss account			278,267		(39,162)
			<u>1,576,475</u>		<u>1,204,843</u>
<b>Equity shareholders' funds</b>			<u>1,576,475</u>		<u>1,204,843</u>

The financial statements were approved by the Board on 25 May 2006

Director



Director



The notes on pages 7 to 16 form part of these financial statements.



**1 Accounting policies**

The financial statements have been prepared under the historical cost convention.

The following principal accounting policies have been applied:

*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 have discussed the group's current financial circumstances in detail with its bankers and certain major creditors. As a result the group's overdraft facility has been extended to 30 September 2006 and agreement has been reached with those creditors to reschedule the sums due to them. The current situation is that there is little headroom with regard to these facilities but the directors are confident that this support will continue to be made available and have prepared forecasts for the period ending 31 July 2008. On the basis of this information, the directors are satisfied that the group should be able to continue to trade profitably in the future and has adequate resources to meet its working capital requirements.

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 further liabilities that might arise and to reclassify fixed assets and long term liabilities as current assets and liabilities.

*Consolidated financial statements*

The company is exempt from the requirement to prepare consolidated financial statements by virtue of section 248 of the Companies Act 1985 as the group it heads qualifies as a small group. These financial statements therefore 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 conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that it is a 'small' company under the Companies Act 1985.

*Depreciation*

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, evenly over their expected useful lives. It is calculated at the following rates:

Motor vehicles	-	20% per annum straight line
Office equipment and other fixed assets	-	10% - 20% per annum straight line

*Valuation of investments*

Investments held as fixed assets are stated at cost less any provision for impairment.

**1 Accounting policies (continued)**

*Deferred taxation*

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

*Leased assets*

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

*Pension costs*

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the period in which they become payable.

*Turnover*

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales.

**2 Turnover**

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

**3 Operating loss**

	15 months ended 31 July 2005 £	Year ended 30 April 2004 £
This is arrived at after charging:		
Depreciation of tangible fixed assets	13,135	-
Loss on disposal of tangible fixed assets	6,991	-
Audit services	2,500	-
	<u>          </u>	<u>          </u>

**4 Employees**

Staff costs (including directors) consist of:

	15 months ended 31 July 2005 £	Year ended 30 April 2004 £
Wages and salaries	299,591	-
Social security costs	30,343	-
Other pension costs	17,157	-
	<u>347,091</u>	<u>-</u>

The average number of employees (including directors) during the period was 10 (2004 - nil).

**5 Directors' remuneration**

	15 months ended 31 July 2005 £	Year ended 30 April 2004 £
Directors' emoluments	224,778	-
Company contributions to money purchase pension schemes	15,150	-
Compensation for loss of office	30,000	-
	<u>270,000</u>	<u>-</u>

There were 3 directors in the company's defined contribution pension scheme during the period (2004 - nil).

The total amount payable to the highest paid director in respect of emoluments was £71,318 (2004 - £nil). Company pension contributions of £5,832 (2004 - £nil) were made to a money purchase scheme on his behalf.

**6 Interest payable and similar charges**

	15 months ended 31 July 2005 £	Year ended 30 April 2004 £
Bank loans and overdrafts	9,778	-
All other loans	5,394	-
Finance leases and hire purchase contracts	8,464	-
	<u>23,636</u>	<u>-</u>

**7 Taxation on profit on ordinary activities**

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The differences are explained below:

	15 months ended 31 July 2005 £	Year ended 30 April 2004 £
Profit on ordinary activities before tax	371,631	-
Tax on Profit on ordinary activities at the standard rate of corporation tax in the UK of 30% (2004 - 30%)	111,489	-
Effect of:		
Expenses not deductible for tax purposes	6,542	-
Depreciation in excess of capital allowances	37	-
Group income	(201,865)	-
Other short term timing differences	706	-
Unrelieved tax losses and other deductions arising in the period	83,091	-
Current tax charge for period	<u>-</u>	<u>-</u>

**SCT Holdings Limited**

Notes forming part of the financial statements for the period ended 31 July 2005 (*Continued*)

**8 Dividends**

	15 months ended 31 July 2005 £	Year ended 30 April 2004 £
<i>Non equity shares</i>		
Preference shares Accrued	54,202	44,005

**9 Tangible fixed assets**

	Motor vehicles £	Office equipment £	Other fixed assets £	Total £
<i>Cost</i>				
Additions	110,700	5,481	2,498	118,679
Disposals	(110,700)	-	-	(110,700)
At 31 July 2005	-	5,481	2,498	7,979
<i>Depreciation</i>				
Provided for the period	12,915	96	124	13,135
Disposals	(12,915)	-	-	(12,915)
At 31 July 2005	-	96	124	220
<i>Net book value</i>				
At 31 July 2005	-	5,385	2,374	7,759
At 30 April 2004	-	-	-	-

10 Fixed asset investments

	Group undertakings £
<i>Cost</i>	
At 1 May 2004	1,952,025
Additions	141,265
	<hr/>
At 31 July 2005	<b>2,093,290</b>
	<hr/>

*Subsidiary undertakings*

The principal undertakings in which the company's interest at the period end is 20% or more are as follows:

<i>Subsidiary undertakings</i>	Country of incorporation or registration	Class of share capital held	Proportion of share capital held	Nature of business
Talk Training Limited	England & Wales	Ordinary	100%	Training and consultancy
WASP IT Limited	England & Wales	Ordinary	100%	Provision of ICT based solutions and consultancy.
First Impressions Training Consultants Limited	England & Wales	Ordinary	100%	Dormant

Unless otherwise stated, the following figures have been extracted from audited financial statements for the period ended 31 July 2005:

	Aggregate share capital and reserves		Profit for the period	
	31 July 2005 £	30 April 2004 £	31 July 2005 £	30 April 2004 £
<i>Subsidiary undertakings</i>				
Talk Training Limited	281,740	687,619	(405,879)	65,446
WASP IT Limited	(746,972)	-	(746,973)	-
First Impressions Training Consultants Limited	7,093	-	7,091	-
	<hr/>	<hr/>	<hr/>	<hr/>

**11 Debtors**

	31 July 2005 £	30 April 2004 £
Amounts owed by group undertakings	131,220	-
Other debtors	77,401	-
Prepayments and accrued income	12,367	-
	<u>220,988</u>	<u>-</u>

All amounts shown under debtors fall due for payment within one year.

**12 Creditors: amounts falling due within one year**

	31 July 2005 £	30 April 2004 £
Bank loans and overdrafts (secured)	261,885	-
Trade creditors	50,274	-
Amounts owed to group undertakings	103,429	672,882
Taxation and social security	40,093	-
Other creditors	147,234	75,000
Accruals and deferred income	143,000	-
	<u>745,915</u>	<u>747,882</u>

The bank overdraft is secured by a debenture granted by the bank over the whole of the assets and liabilities of SCT Holdings Limited.

There is a cross corporate guarantee in favour of the groups bankers, between SCT Holdings Limited, Talk Training Limited (formerly SCT (UK) Limited), WASP IT Limited and First Impressions Consultants Limited. Bank borrowings of group companies at 31 July 2005 total £2,023,897.

## SCT Holdings Limited

Notes forming part of the financial statements for the period ended 31 July 2005 (Continued)

### 13 Share capital

	31 July 2005 £	30 April 2004 £
<i>Authorised</i>		
<i>Equity share capital</i>		
100,000 Ordinary shares of £1 each	100,000	100,000
1,066,000 6.5% cumulative preference shares of £1 each	1,066,000	1,066,000
	<hr/>	<hr/>
	1,166,000	1,166,000
	<hr/>	<hr/>
	31 July 2005 £	30 April 2004 £
<i>Allotted, called up and fully paid</i>		
<i>Equity share capital</i>		
85,000 Ordinary shares of £1 each	85,000	85,000
666,000 6.5% cumulative preference shares of £1 each	666,000	666,000
	<hr/>	<hr/>
	751,000	751,000
	<hr/>	<hr/>

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 share 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.

### 14 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge amounted to £17,157 (2004 - £nil). Contributions amounting to £2,351 (2004 - £nil) were payable to the fund and are included in creditors.



**15 Commitments under operating leases**

The company had annual commitments under non-cancellable operating leases as set out below:

	31 July 2005	30 April 2004
	Land and buildings £	Land and buildings £
Operating leases which expire:		
After five years	140,175	-

The lease commitments are in the name of SCT Holdings Limited whilst the rent is paid by those group companies occupying the properties.

**16 Related party disclosures**

*Related party transactions and balances*

	Costs incurred and recharged	Amounts owed by related party	Amounts owed to related party
	£	£	£
Talk Training Limited	83,009	131,220	-
WASP IT Limited	312,856	-	103,429
<b>2004</b>			
Talk Training Limited	15,000	-	672,882

After the year end the amount due to WASP IT Limited was cleared by SCT Holdings Limited.

On 7 January 2005 SCT Holdings Limited purchased 100% of the share capital of First Impressions Training Consultants Limited. On 11 February 2005 SCT Holdings Limited subsequently transferred the assets and liabilities of First Impressions Training Consultants Limited to Talk Training Limited. On that date First Impressions Training Consultants Limited became dormant.

*Loans and transactions concerning directors*

Included in other creditors are the following amounts due to directors, these amounts bear interest on a monthly basis at 10% per annum and are repayable on demand:-

D Sanders £25,000 (2004 - £25,000)

J Hughes £30,000 (2004 - £30,000)

**17 Post Balance Sheet Events**

On 31 March 2006, 100% of the ordinary share capital of SCT Holdings Limited was acquired by Acraman (405) Limited. On this date the group was refinanced.