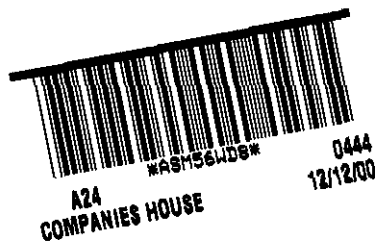


SCT (HOLDINGS) LIMITED

Report and Financial Statements

30 April 2000

**Deloitte & Touche
Blenheim House
Fitzalan Court
Newport Road
Cardiff
CF24 0TS**



REPORT AND FINANCIAL STATEMENTS 2000

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REPORT AND FINANCIAL STATEMENTS 2000

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

M E Sanders
J R Hughes
D G Sanders
P Mort
N M Rowe
A A Williams

SECRETARY

P Mort

REGISTERED OFFICE

The QED Centre
Main Avenue
Treforest Industrial Estate
Treforest
Pontypridd
CF37 5TR

BANKERS

Bank of Wales Plc
Kingsway
Cardiff
CF10 3YB

SOLICITORS

Morgan Cole
Bradley Court
Park Place
Cardiff
CF10 3DP

AUDITORS

Deloitte & Touche
Blenheim House
Fitzalan Court
Newport Road
Cardiff
CF24 0TS

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the 11 months ended 30 April 2000.

ACTIVITIES

The company was incorporated on 23rd February 1999 and commenced trading on 27th May 1999. The principal activity of the company is the holding company of SCT (Wales) Limited, 100% of the equity being purchased on 27th May 1999.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The directors are satisfied with the profit in the year and are satisfied with the year end financial position and future prospects.

DIVIDENDS

The directors do not recommend the payment of a dividend.

DIRECTORS AND THEIR INTERESTS

All directors served throughout the year unless otherwise stated.

The directors of the company and their interests in the company's shares at 30 April 2000 and on appointment were:

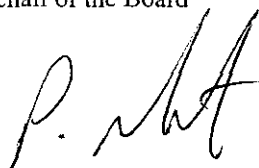
	Ordinary shares Of £1 each 30 April 2000 No.
M E Sanders (appointed 27 May 1999)	25,000
J R Hughes (appointed 27 May 1999)	15,000
D G Sanders (appointed 27 May 1999)	15,000
P Mort (appointed 27 May 1999)	15,000
N M Rowe (appointed 27 May 1999)	-
A A Williams (appointed 27 May 1999)	-

AUDITORS

Deloitte & Touche were appointed as auditors on 15 July 1999 and have expressed their willingness to continue in office as auditors. A resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions relating to small companies under S246 Companies Act 1985.

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



P Mort

Secretary

Date..... 30/10/00

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 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;
- 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. 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' REPORT TO THE MEMBERS OF SCT (HOLDINGS) LIMITED

We have audited the financial statements on pages 5 to 10 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements which are required to be prepared in accordance with United Kingdom Law and Accounting Standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 April 2000 and of its profit for the period have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche

Chartered Accountants and Registered Auditors

6 November 2000

PROFIT AND LOSS ACCOUNT
Eleven month period ended 30 April 2000

	Note	Eleven months ended 30 April 2000 £
Administrative expenses		(65,340)
Operating loss – continuing operations		<u>(65,340)</u>
Interest payable and similar charges		(29,499)
Income from fixed asset investment		160,000
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	65,161
Tax on profit on ordinary activities	3	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		65,161
Dividends paid	4	<u>(64,544)</u>
RETAINED PROFIT FOR THE FINANCIAL PERIOD		<u><u>617</u></u>

There are no recognised gains or losses for the financial year other than as stated above.

BALANCE SHEET
30 April 2000

	Note	2000 £
FIXED ASSETS		
Investment	5	1,886,685
CURRENT ASSETS		
Cash at bank and in hand		700
CREDITORS: amounts falling due Within one year	6	(140,862)
NET CURRENT LIABILITIES		(140,162)
TOTAL ASSETS LESS CURRENT LIABILITIES		1,746,523
CREDITORS: amounts falling due after more than one year	7	(545,906)
TOTAL NET ASSETS		1,200,617
CAPITAL AND RESERVES		
Called up share capital	8	100,000
Share Premium	9	34,000
Preference Shares	8	1,066,000
Profit and loss account	9	617
TOTAL SHAREHOLDERS' FUNDS	10	1,200,617
SHAREHOLDERS' FUNDS ARE ATTRIBUTABLE TO:		
Equity shareholders' funds		134,617
Non-equity shareholders' funds		1,066,000

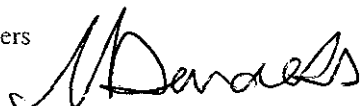
The financial statements have been prepared in accordance with the special provisions relating to small companies under S246 Companies Act 1985.

These financial statements were approved by the Board of Directors on 30.10.2000

Signed on behalf of the Board of Directors

M E Sanders

Director



NOTES TO THE ACCOUNTS
11 months ended 30 April 2000

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Tangible fixed assets

The cost of fixed assets is their purchase cost, together with any incidental costs of acquisition.

Impairment is provided on the investment in equal annual instalments over the estimated useful economic life of the asset. The estimated useful economic life is 20 years.

Turnover

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied.

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 cashflow statement.

Deferred taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise.

Comparative

There are no comparative figures as this is the first period of trading.

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2000
	£
Profit on ordinary activities before taxation is stated after charging:	
Provision for impairment	65,340
	<u>65,340</u>

3. TAXATION

There is no charge for corporation tax due to group income not being taxable.

4. DIVIDENDS

	2000
	£
6.5% cumulative preference dividend on non-equity shares	64,544
	<u>64,544</u>

NOTES TO THE ACCOUNTS
11 months ended 30 April 2000

5. INVESTMENTS HELD AS FIXED ASSETS

	Investments £
Cost	
At 27 May 1999 and 30 April 2000	1,952,025
Provisions	
At 27 May 1999	-
Charge for the period	65,340
At 30 April 2000	65,340
Net book value	
At 30 April 2000	1,886,685

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

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £
Loan stock	25,000
Bank loan	112,404
Accruals and deferred income	3,458
	140,862

7. CREDITORS: AMOUNTS DUE AFTER MORE THAN ONE YEAR

	2000 £
Loan stock	250,000
Amounts owed to subsidiary undertakings	295,906
	545,906

The loan stock is unsecured and accrues interest at 6% per annum.

NOTES TO THE ACCOUNTS
11 months ended 30 April 2000

7. CREDITORS: AMOUNTS DUE AFTER MORE THAN ONE YEAR (continued)

	2000
	£
Analysis of loan stock repayments:	
Amounts falling due:	
Within one year	25,000
More than five years	250,000
	<hr/>
	275,000
Less amounts due within one year	25,000
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	250,000
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£250,000 loan stock is repayable upon written notice of not less than 90 days from the stock holder, M E Sanders, a director of the company. If no notice is served the stock will be repaid at par together with accrued interest on 26th May 2009.

8. CALLED UP SHARE CAPITAL

	2000
	£
Authorised, allotted and fully paid	
100,000 Ordinary shares of £1 each	100,000
1,066,000 6.5% cumulative preference shares of £1 each	1,066,000
	<hr/>
	1,166,000
	<hr/> <hr/>

On incorporation £100,000 ordinary shares and £1,066,000 preference shares were issued for £1,200,000 cash.

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.

9. RESERVES

	2000	2000
	Share	Profit and
	premium	Loss
	account	Account
	£	£
Profit for the period	-	617
Premium on issue of ordinary shares	34,000	-
	<hr/>	<hr/>
At 30 April 2000	34,000	617
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE ACCOUNTS
11 months ended 30 April 2000

10. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2000 £
Share capital subscribed for on incorporation	1,200,000
Profit for the eleven month period ended 30 April 2000	617
Closing shareholders' funds	<u>1,200,617</u>

11. EXEMPTION TO PRODUCE GROUP ACCOUNTS

The company is taking exemption under S248 of the Companies Act 1985 for the non preparation of group accounts because the company qualifies as a small or medium-sized group and is not an ineligible group.

The company has one 100% owned subsidiary, SCT (Wales) Limited.

12. RELATED PARTY TRANSACTION

During the year the subsidiary company paid legal expenses, interest and loan repayments on the company's behalf, the amount paid totalled £612,288 and is shown within creditors due after one year.

13. ADDITIONAL INFORMATION ON SUBSIDIARY COMPANIES

Subsidiaries	Principal Activity
SCT (Wales) Limited	Training and Consultancy

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