

Registered No: 3155621

SCTRCO Limited
Annual report and accounts
for the year ended 31 March 2002



SCTRCO Limited

Report and accounts for the year ended 31 March 2002

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Directors and advisors

Directors

R W Kendall
G K H Mason
B L Westbrook

Secretary

Jarvis Secretaries Ltd

Registered office

Frogmore Park
Watton-at-Stone
Hertford
SG14 3RU

Auditors

Ernst & Young LLP
Becket House
1 Lambeth Palace Road
London
SE1 7EU

Directors' report for the year ended 31 March 2002

The directors present their report and the audited accounts for the year ended 31 March 2002.

Principal activities

The principal activity of the Company during the year was to act as a holding company. The Company has not traded during the year or the previous year and consequently no profit and loss account has been produced.

Dividends

The directors do not recommend the payment of a dividend (2001: £nil).

Directors

The directors holding office during the year ended 31 March 2002 and appointed subsequent to that date are shown below.

R W Kendall
G K H Mason
B L Westbrook

Directors' interests

At 31 March 2002 none of the directors had any interests in the shares of the Company.

The interests of Mr R W Kendall in the shares and options over shares of the ultimate parent company, Jarvis plc, are disclosed in the annual report and accounts of that company.

Other directors' interests were as follows:

Interests in Jarvis plc shares of 5p each	At 1 April 2001 or subsequent date of appointment	At 31 March 2002
G K H Mason	500	500
B L Westbrook	3,703	3,703

Interests in options over Jarvis plc shares of 5p each are shown overleaf.

Other directors' interests in options over Jarvis plc shares of 5p each						
Director	Scheme	Grant date	Exercise Price (p)	Options at 1 April 2001 and 31 March 2002	Dates exercisable	
					From	To
G K H Mason	Executive	28 July 2000	199.50	25,000	July 2003	July 2010
G K H Mason	Executive	24 Jan 2001	264.00	19,000	Jan 2004	Jan 2011
G K H Mason	Share Save	Aug 2000	153.00	937	Oct 2003	Mar 2004
B L Westbrook	Executive	July 1997	277.00	120,000	July 2000	July 2007
B L Westbrook	Executive	24 Jan 2001	264.00	20,000	Jan 2004	Jan 2011

On 5 April 2002 Mr B L Westbrook exercised options over 10,810 shares in Jarvis plc at an exercise price of 277.50p per share. The market price on the day of exercise was 504p per share. On 5 April 2002 Mr B L Westbrook sold 7,063 shares in Jarvis plc at a price of 508.50p per share.

On 9 April 2002 Mr B L Westbrook exercised options over 109,190 shares in Jarvis plc at an exercise price of 277.50p per share. The market price on the day of exercise was 503p per share. On 9 April 2002 Mr B L Westbrook sold 78,920 shares in Jarvis plc at a price of 505p per share.

Statement of directors' responsibilities

Company law requires the directors to prepare accounts 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 year. In preparing those accounts, the directors are required:

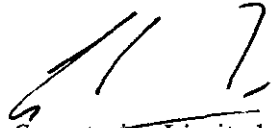
- To select suitable accounting policies and then apply them consistently;
- To make judgements and estimates that are reasonable and prudent; and
- To prepare accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the accounts 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.

Audit

Having passed elective resolutions of the shareholders at an extraordinary general meeting the Company is exempt from the obligation to annually re-appoint auditors and to hold annual general meetings. Accordingly the board recommends that Ernst & Young LLP continue in office as auditor to the Company.

By order of the Board



Jarvis Secretaries Limited
Secretary

18th Sept 2002

Independent auditors' report to the members of SCTRCO Limited

We have audited the company's financial statements for the year ended 31 March 2002 which comprise the Balance Sheet and the related notes 1 to 10. These financial statements have been prepared on the basis of the accounting policies set out therein.

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 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.

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.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 March 2002 and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP
Ernst & Young LLP
Registered Auditor
London

24 September 2002

Balance sheet at 31 March 2002

	Notes	31 March 2002 £'000	31 March 2001 £'000
Fixed assets			
Investments	4	3,182	3,182
Creditors			
Amounts falling due within one year	5	(10,630)	(10,630)
Net liabilities		<u>(7,448)</u>	<u>(7,448)</u>
Capital and reserves			
Called up share capital	6	20	20
Profit and loss account	7	(7,468)	(7,468)
Equity shareholders' funds	8	<u>(7,448)</u>	<u>(7,448)</u>

The notes on pages 7 to 9 form part of these financial statements.

The accounts on pages 6 to 9 were approved by the Board on 24 SEPTEMBER 2002
and were signed on its behalf by:

R W Kendall
Director



Notes to the accounts for the year ended 31 March 2002

1 Principal accounting policies

Accounting convention

The accounts have been prepared in accordance with the historical cost convention, applicable accounting standards and the Companies Act 1985.

Fixed asset investments

Fixed asset investments are stated at cost, being their purchase cost, together with any incidental expenses of acquisition or their fair values at vesting, less any provision for permanent impairment.

Consolidated accounts

By virtue of section 228 of the Companies Act 1985, the results of the company's subsidiary undertakings have not been consolidated in these financial statements as the company is itself a wholly owned subsidiary of Jarvis Plc, a company incorporated in England & Wales, which is preparing consolidated accounts. The financial statements present information about the company and not its group

Cash flow statement

The Company is a wholly owned subsidiary of Jarvis plc and the cash flows of the Company are included in the consolidated cash flow statement of Jarvis plc. Consequently, the Company is exempt under the terms of Financial Reporting Standard 1 (revised) from publishing a cash flow statement.

Related party transactions

The Company is a wholly owned subsidiary of Jarvis plc and as such the Company has taken advantage under the terms of Financial Reporting Standard 8 not to disclose related party transactions which are eliminated on consolidation.

2 Profit and loss account

The Company has not traded during the year. Accordingly, no profit and loss account has been prepared.

3 Directors' emoluments

The directors received no emoluments in respect of their services during the year (2001: £nil). Certain directors received emoluments from the ultimate parent company and other group undertakings, and these are disclosed in the accounts of those companies. The directors do not consider that any material amount of their emoluments relate to their duties in respect of the Company.

4 Investments

	£'000
Cost as at 1 April 2001 and 31 March 2002	10,650
Provision against investment as at 1 April 2001 and 31 March 2002	(7,468)
Net book value as at 1 April 2001 and 31 March 2002	<u>3,182</u>

Name of undertaking	Country of incorporation	Descriptions of shares held	Proportion of nominal value of shares held
Scotland Track Renewals Company Limited	England and Wales	Ordinary £1 shares	100%

Scotland Track Renewals Company Limited did not trade during the year.

5 Creditors: amounts falling due within one year

	31 March 2002 £'000	31 March 2001 £'000
Debenture loans	<u>10,630</u>	<u>10,630</u>

The debenture loan, which is repayable on demand, only attracts interest upon a default. The debenture loan is held by Relayfast Limited, the Company's immediate parent undertaking. Whilst the amount above is technically repayable on demand and has therefore been included in creditors falling due within one year, the directors are of the opinion that in the ordinary course of business repayment within such a timescale would not be required.

6 Called up share capital

	31 March 2002 No '000	31 March 2002 £'000	31 March 2001 No '000	31 March 2001 £'000
Authorised				
Ordinary shares of £1 each	<u>50</u>	<u>50</u>	<u>50</u>	<u>50</u>
	31 March 2002 No '000	31 March 2002 £'000	31 March 2001 No '000	31 March 2001 £'000
Alotted, called up and fully paid				
Ordinary shares of £1 each	<u>20</u>	<u>20</u>	<u>20</u>	<u>20</u>

7 Profit and loss account**£'000**

Accumulated losses as at 1 April 2001 and 31 March 2002

(7,468)**8 Shareholders' funds****£'000**

Deficit as at 1 April 2001 and 31 March 2002

(7,448)**9 Contingent liabilities**

The Company has guaranteed performance bonds in respect of contracts entered into by fellow subsidiary undertakings in the normal course of business. Guarantees have been given by the Company in the ordinary course of business, without limit, in respect of loans and overdrafts of its ultimate parent and fellow subsidiary undertakings, which amounted to £115 million at 31 March 2002 (2001: £116 million).

10 Parent undertakings

The Company's immediate parent undertaking is Relayfast Limited, a company registered in Scotland. The Company's ultimate parent undertaking and ultimate controlling party is Jarvis plc, a company registered in England and Wales whose accounts may be obtained from the Secretary, Jarvis plc, Frogmore Park, Watton-at-Stone, Hertford, SG14 3RU.