

Company Registration No. 01434887

SCAFFTAG LIMITED

Report and Financial Statements

31 July 2010



SCAFFTAG LIMITED

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SCAFFTAG LIMITED

REPORT AND FINANCIAL STATEMENTS

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

F Jaehnert
P Sephton
A Walsham
T Felmer

REGISTERED OFFICE

Brady Corporation Limited
14 Wildmere Industrial Estate
Banbury
Oxon OX16 3JU

SOLICITORS

Eversheds LLP
115 Colmore Row
Birmingham
B3 3AL

AUDITORS

Deloitte LLP
Chartered Accountants
Reading, UK

SCAFFTAG LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 July 2010. The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

ACTIVITIES

The company ceased to trade on 4 November 2008 when the trade was sold to a related company. Some minor transactions have taken place in the year related to the recovery of debtors and closure of the bank accounts.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The directors regard the financial performance and the year end state of affairs of the company as satisfactory.

On 31 July 2008 the UK assets and liabilities of Scafftag Ltd were hived up into the parent company Brady Corporation Limited for market value. The remaining business was sold on 4 November 2008 and the company ceased to trade at that date. As required by Financial Reporting Standard 18 "Accounting Policies" the Directors have prepared the financial statements on the basis that the company is no longer a going concern. No material adjustment arose as a result of ceasing to apply the going concern basis.

DIVIDENDS AND TRANSFERS TO RESERVES

The directors do not recommend the payment of a dividend (2009: £nil). The profit for the year of £2,420 (2009: £2,326,941) has been transferred to reserves.

DIRECTORS

The directors during the year and subsequently were:

F Jaehnert
P Sephton
A Walsham
T Felmer

AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that:

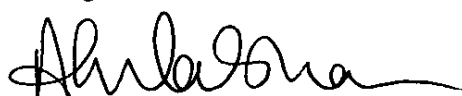
(1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and

(2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

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



A S Walsham

Director

9 February 2011

SCAFFTAG LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCAFFTAG LIMITED

We have audited the financial statements of Scafftag Limited for the year ended 31 July 2010 which comprise the Profit and Loss Account and the Balance Sheet and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 July 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – Financial statements prepared other than on a going concern basis

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SCAFFTAG LIMITED (CONTINUED).**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or

the financial statements are not in agreement with the accounting records and returns, or

certain disclosures of directors' remuneration specified by law are not made, or

we have not received all the information and explanations we require for our audit, or

the directors were not entitled to prepare the financial statements in accordance with the small companies regime or take advantage of the small companies exemption in preparing the directors' report



Anna Marks (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditors

Reading, United Kingdom

10 February 2011

SCAFFTAG LIMITED

PROFIT AND LOSS ACCOUNT For the year ended 31 July 2010

	Note	2010 £	2009 £
TURNOVER	2	-	279,046
Cost of sales		-	(73,522)
Gross profit		-	205,524
Administrative income		2,420	21,331
OPERATING PROFIT	3	2,420	226,855
Profit on sale of business		-	936,834
PROFIT BEFORE FINANCE CHARGES		2,420	1,163,689
Dividend received		-	1,163,252
PROFIT BEFORE TAXATION		2,420	2,326,941
Taxation charge	5	-	-
PROFIT FOR THE FINANCIAL YEAR TRANSFERRED TO RESERVES	9, 10	2,420	2,326,941

All activities derive from discontinued operations

There are no recognised gains and losses other than the profit for the financial years. Accordingly, no statement of total recognised gains and losses is given.

SCAFFTAG LIMITED

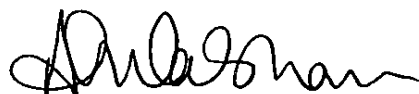
BALANCE SHEET 31 July 2010

	Note	2010 £	2009 £
CURRENT ASSETS			
Debtors	7	7,177,267	7,143,395
Cash at bank and in hand		-	31,452
TOTAL ASSETS		<u>7,177,267</u>	<u>7,174,847</u>
CAPITAL AND RESERVES			
Called up share capital	8	10,575	10,575
Share premium accounts	9	56,925	56,925
Profit and loss account	9	<u>7,109,767</u>	<u>7,107,347</u>
SHAREHOLDERS' FUNDS	10	<u>7,177,267</u>	<u>7,174,847</u>

The financial statements of Scafftag Limited, registered number 01434887, have been prepared in accordance with the provisions applicable to companies entitled to the small companies regime

These financial statements were approved and authorised for issue by the Board of Directors on 9 February 2011

Signed on behalf of the Board of Directors



A S Walsham
Director

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2010

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards. The principal accounting policies adopted in the current and preceding year have been applied consistently and are described below.

Accounting convention

As required by Financial Reporting Standard 18 "Accounting Policies" the Directors prepared the financial statements on the basis that the company is no longer a going concern. No material adjustment arose as a result of ceasing to apply the going concern basis.

Going concern

On 31 July 2008 the UK assets and liabilities of Scafftag Ltd were hived up into the parent company Brady Corporation Limited for market value. The remaining business was sold on 4 November 2008 and the company ceased to trade at that date. As required by Financial Reporting Standard 18 "Accounting Policies" the Directors have prepared the financial statements on the basis that the company is no longer a going concern. No material adjustment arose as a result of ceasing to apply the going concern basis.

Turnover

Turnover is the amount derived from the provision of goods and services falling within the company's ordinary activities after deduction of trade discounts and value added tax.

Investments

Investments are stated at cost less any provision for impairment.

Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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 items of income and expenditure in taxation computations in years different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries and associates where there is no commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated to the rate of exchange at the balance sheet date or, where appropriate, at the relevant contract rate of exchange. Differences on exchange are recognised in the profit and loss account.

SCAFFTAG LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2010

Cashflow statement

The company has taken advantage of Financial Reporting standard 1 (revised), not to produce a cash flow statement on the basis that its ultimate parent undertaking prepares a cash flow which is publicly available

2. TURNOVER ANALYSIS BY GEOGRAPHICAL AREA

A geographical analysis of turnover is given below

	2010	2009
Overseas	-	100.00%

All turnover derives from the company's principal activity

3. OPERATING PROFIT

Operating profit is stated after charging

	2010 £	2009 £
Depreciation of tangible fixed assets – held under finance leases and hire purchase contracts	-	1,423
Foreign exchange (gains)/losses	-	(88,240)
Pension costs	-	-
Auditors' remuneration – statutory audit	-	-

No remuneration was paid to the auditors for non-audit services. Remuneration of £10,000 for statutory audit has been borne by the parent company (2009: £15,000)

4. DIRECTORS AND EMPLOYEES

	2010 Number	2009 Number
Average number of persons employed	-	3

Selling and administration

	2010 £	2009 £
Staff costs during the year	-	22,365

Wages and salaries

The directors are employed by other Brady Corporation subsidiaries. No remuneration is paid to the directors for their services to this company (2009: no charge)

SCAFFTAG LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 July 2010

5. TAX ON PROFIT

The tax assessed for the year is in line with the standard rate of corporation tax in the UK for the year of 28% (2009 28%) The differences are explained below

	2010 £	2009 £
United Kingdom corporation tax at 28% (2009 28%)		
Current year	-	-
Prior year	-	-
Total current tax	-	-
Deferred tax (Note 13)	-	-
Total tax charge	-	-

The tax assessed for the year is lower than the standard companies' rate of UK corporation tax The differences are explained below

	2010 £	2009 £
Profit before tax	2,420	2,326,941
Profit multiplied by the standard companies' rate in the UK of 28% (2009 28%)	678	651,544
- Expenses not deductible for tax purposes	-	1,219
- Profit on sale of assets, not chargeable to tax	-	(262,314)
- Dividends received, not chargeable to tax	-	(325,711)
- Capital gain on sale of business	-	280,000
- Group relief	(678)	(344,738)
Current tax charge for the year	-	-

The tax charge on the profit for the year is disproportionately low, due to the utilisation of losses from other group companies and dividends received not chargeable to taxation

The Finance Act (No 2) 2010, which provides for a reduction in the main rate of corporation tax from 28% to 27% effective from 1 April 2011, was substantively enacted on 21 July As it was substantively enacted at the balance sheet date, the rate reduction has been reflected in these financial statements

The Government has also indicated that it intends to enact future reductions in the main tax rate of 1% each year down to 24% by 1 April 2014

The future 1% main tax rate reductions are expected to have a similar impact on our financial statements as outlined above, however the actual impact will be dependent on our deferred tax position at that time

SCAFFTAG LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 July 2010

6. DIVIDENDS

The directors recommend the payment of a dividend of £nil per share (2009 £nil)

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £	2009 £
Amounts owed by group undertakings	7,177,267	7,131,740
Prepayments and accrued income	-	11,655
	<u>7,177,267</u>	<u>7,143,395</u>

8. CALLED UP SHARE CAPITAL

	2010 £	2009 £
Authorised		
20,000 ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>
Allotted called up and fully paid		
10,575 (2009 10,575) ordinary shares of £1 each	<u>10,575</u>	<u>10,575</u>

9. MOVEMENT ON RESERVES

	Share capital £	Share premium account £	Profit and loss account £	Total £
1 August 2009	10,575	56,925	7,107,347	7,174,847
Profit for the financial year	-	-	2,420	2,420
At 31 July 2010	<u>10,575</u>	<u>56,925</u>	<u>7,109,767</u>	<u>7,177,267</u>

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2010 £	2009 £
Profit on ordinary activities after taxation	<u>2,420</u>	<u>2,326,941</u>
Net addition to shareholders' funds	2,420	2,329,941
Opening shareholders' funds	<u>7,174,847</u>	<u>4,847,906</u>
Closing shareholders' funds	<u>7,177,267</u>	<u>7,174,847</u>

SCAFFTAG LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2010

11. ULTIMATE PARENT UNDERTAKING

The directors regard Brady Corporation incorporated under the laws of the state of Wisconsin, USA as being the ultimate parent and controlling undertaking, copies of whose group financial statements are available from its registered office, 6555 W Good Hope Road, PO Box 571, Milwaukee WI 53201-0571, USA. The company is owned by Brady Corporation Limited. The financial statements of Brady Corporation are the largest and only consolidation the company's results are reported in to.

12. RELATED PARTY TRANSACTIONS

In accordance with Financial Reporting Standard 8, the company has not disclosed transactions with other investee group companies as its results are consolidated into the financial statements of the ultimate parent undertaking which are publicly available.