

Scapa Holdings Limited

Directors' report and financial statements
for the year ended 31 March 2006

Registered Number 103718



Scapa Holdings Limited

Directors' report and financial statements for the year ended 31 March 2006

Contents

Directors and Advisors for the year ended 31 March 2006	1
Directors' report for the year ended 31 March 2006	2
Independent auditors' report to the members of Scapa Holdings Limited	4
Profit and loss account for the year ended 31 March 2006	5
Balance sheet as at 31 March 2006	6
Notes to the financial statements for the year ended 31 March 2006	7

Scapa Holdings Limited

Directors and Advisors for the year ended 31 March 2006

Directors

Mr M Stirzaker (appointed 23 December 2005)

Ms C A Green (resigned 23 December 2005)

Mr P Garvey

Secretary

Ms C A Green (resigned 23 December 2005)

Mr M Stirzaker (appointed 23 December 2005)

Auditors

PricewaterhouseCoopers LLP

101 Barbirolli Square

Lower Mosley Street

Manchester

M2 3PW

Registered Office

Manchester Road

Ashton Under Lyne

Greater Manchester

OL7 0ED

Registered Number

103718

Scapa Holdings Limited

Directors' report for the year ended 31 March 2006

The directors present their report and the audited financial statements of the company for the year ended 31 March 2006.

Principal activities

The company is engaged principally in making loans to group companies and will continue to do so for the foreseeable future.

Results and dividends

The profit and loss account set out on page 5 shows the result for the year.
The directors do not recommend the payment of a dividend (2005: £nil).

Directors and their interests

The directors who held office during the year are given below

Ms C A Green (resigned 23 December 2005)

Mr M R Stirzaker (appointed 23 December 2005)

Mr P Garvey

Neither Mr P Garvey or Mr M R Stirzaker had interests in the shares of the ultimate parent company, Scapa Group plc or interests in the shares of any other group company.

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 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 that 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Scapa Holdings Limited

Director's report for the year ended 31 March 2006

Auditors and disclosure of information to auditors

So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware. Each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution concerning their reappointment as auditors of the company will be proposed at the Annual General Meeting.

By order of the Board



M Stirzaker
Secretary
6 June 2006

Scapa Holdings Limited

Independent auditors' report to the members of Scapa Holdings Limited

We have audited the financial statements of Scapa Holdings Limited for the year ended 31 March 2006 which comprise the profit and loss account, the balance sheet, and the related notes. These financial statements have been prepared under 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 law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2006 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Manchester

6 June 2006

Scapa Holdings Limited

Profit and loss account for the year ended 31 March 2006

	Notes	2006 £	2005 £
Operating loss		-	-
Interest receivable from parent undertaking		301,539	298,675
Profit on ordinary activities before taxation		301,539	298,675
Taxation	3	(90,999)	128,397
Retained profit for the year	8	210,540	427,072

The company has no recognised gains or losses for the year other than as reflected in the profit and loss account above.

All of the above results are derived from continuing operations.

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

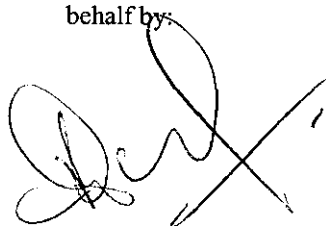
Scapa Holdings Limited

Balance sheet as at 31 March 2006

	Notes	2006 £	2005 £
Current assets			
Debtors			
- due within one year		2,276,836	1,975,297
- due after more than one year		5,194,971	5,194,971
	4	7,471,807	7,170,268
Creditors: amounts falling due within one year	5	(425,805)	(334,806)
Net current assets		7,046,002	6,835,462
Creditors: amounts falling due after more than one year	6	(1,986,245)	(1,986,245)
Net assets		5,059,757	4,849,217
Capital and Reserves			
Called up equity share capital	7	3,344,015	3,344,015
Profit and loss account	8	1,715,742	1,505,202
Equity shareholders' funds	9	5,059,757	4,849,217

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

The financial statements on pages 5 to 9 were approved by the directors on 6 June 2006 and signed on their behalf by:



P Garvey
Director

Scapa Holdings Limited

Notes to the financial statements for the year ended 31 March 2006

1 Basis of preparation

The accounts have been prepared a going concern basis, under the historic cost convention in accordance with the Companies Act 1985 and applicable accounting standards in the UK. A summary of the principal accounting policies, which have been applied consistently throughout the year are set out below.

2 Accounting Policies

Cash flow statement

A cash flow statement has not been prepared because the company is a wholly owned subsidiary of Scapa Group plc and consequently is exempt from publishing a cash flow statement under FRS1 (revised 1996). A consolidated cash flow statement is included in the financial statements of that Scapa Group plc.

3 Taxation

	2006 £	2005 £
UK corporation tax at 30% (2005 : 30%)	90,462	89,603
Prior year adjustments in respect of group relief	537	(218,000)
Total current year tax charge / (credit) – group relief	90,999	(128,397)

There is no difference between the tax assessed for the current period and the standard rate of corporation tax in the UK (30%).

4 Debtors

	2006 £	2005 £
Amounts owed by parent undertaking	7,471,807	7,170,268

Amounts owed by the parent undertaking include a loan of £5,194,971 which has a five year term running to 31 March 2008, is unsecured and carries interest at a variable rate.

5 Creditors: amounts falling due within one year

	2006 £	2005 £
Corporation tax – amounts payable in respect of group relief	425,805	334,806

Scapa Holdings Limited

6 Creditors: amounts falling due after more than one year

	2006 £	2005 £
Amount owed to ultimate parent undertaking	1,986,245	1,986,245

7 Share capital

	2006 £	2005 £
Authorised, allotted, called up and fully paid £1 ordinary shares	3,344,015	3,344,015

8 Reserves

	Profit and loss account £
At 1 April 2005	1,505,202
Profit for the year	210,540
At 31 March 2006	1,715,742

9 Reconciliation of movements in equity shareholders' funds

	2006 £	2005 £
Profit for the year	210,540	427,072
Opening equity shareholders' funds	4,849,217	4,422,145
Closing equity shareholders' funds	5,059,757	4,849,217

10 Operating costs

The only employees of the company were the directors, who did not receive any remuneration in respect of their services. Auditors' remuneration is borne by the company's ultimate parent undertaking. Operating costs comprise administration costs only.

Scapa Holdings Limited

11 Related parties

The company has taken advantage of the exemption granted by FRS 8 not to disclose related party transactions and balances with other members of the group. There are no other related party transactions.

11 Ultimate parent company

The directors regard Scapa Group plc as the company's ultimate parent company and ultimate controlling party.

Copies of the consolidated financial statements of Scapa Group plc may be obtained from the Company Secretary, Scapa Group plc, Manchester Road, Ashton Under Lyne, Greater Manchester, OL7 0ED.