

Directa (UK) Limited

ABBREVIATED ACCOUNTS

for the year ended

30 April 2004



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COMPANIES HOUSE

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29/10/04

Company Registration No. 1008317

Directa (UK) Limited

DIRECTORS' REPORT

The directors present their report and financial statements of Directa (UK) Limited for the year ended 30 April 2004.

PRINCIPAL ACTIVITIES

Throughout the year the principal activities of the company continued to be that of manufacturers, distributors, importers, exporters and wholesalers of adhesive tapes, abrasives, signs, fixings, tools and industrial consumables.

REVIEW OF THE BUSINESS

External economic factors contributed to another hard year, with increasing pressure on both sales and margins, which has resulted in a sharp fall in nett profitability.

During the first quarter of 2004-5 following a detailed strategic review, several significant steps have been taken to restore profitability. Initial indications at the time of writing (July 2004) show these starting to take effect.

A new catalogue is to be issued in Autumn (Winter 2004/5) and we are confident that the steps taken will achieve improved profitability in the next financial year.

RESULTS AND DIVIDENDS

The trading profit for the year after taxation was £21,785 .

The directors recommend payment of an ordinary dividend amounting to £40,000 .

DIRECTORS

The following directors have held office since 1 May 2003:-

L D Dennison

M D Coburn

T Neale

M V Storey

DIRECTORS' INTERESTS IN SHARES

Directors' interests in the shares of the company, including family interests, were as follows:

	<i>Ordinary shares of £ 1 each</i>	
	30.4.04	1.5.03
L D Dennison	100,000	100,000
M D Coburn	60,000	60,000
T Neale	-	-
M V Storey	-	-

MARKET VALUE OF LAND AND BUILDINGS

The directors are of the opinion that the market value of the company's freehold properties is in excess of their net book value.

Directa (UK) Limited
DIRECTORS' REPORT

AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants will be put to the members at the annual general meeting.

By order of the board



J M Poston

Secretary

.....20/09/2004

Directa (UK) Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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.

**INDEPENDENT AUDITORS' REPORT TO DIRECTA (UK) LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts set out on pages 5 to 16, together with the financial statements of the company for the year ended 30 April 2004 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditor's 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

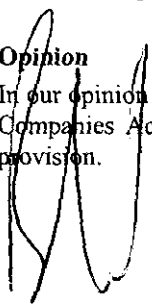
The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of audit opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 5 to 16 are properly prepared in accordance with that provision.



Registered Auditor
Chartered Accountants
Marlborough House
Victoria Road South
Chelmsford
Essex CM1 1LN

20.9.04

Directa (UK) Limited

ABBREVIATED PROFIT AND LOSS ACCOUNT for the year ended 30 April 2004

	<i>Notes</i>	2004 £	2003 £
Gross profit		2,426,718	2,474,201
Other operating expenses (net)	2	2,373,336	2,291,415
OPERATING PROFIT		53,382	182,786
Other interest receivable and similar income	3	26,965	35,069
		80,347	217,855
Amounts written off investments	4	25,000	(5,139)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	55,347	222,994
Taxation	7	33,562	52,591
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		21,785	170,403
Dividends	8	40,000	80,000
RETAINED (LOSS)/PROFIT FOR THE YEAR	16	(18,215)	90,403

The operating profit for the year arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

Directa (UK) Limited

BALANCE SHEET

30 April 2004

	Notes	2004 £	2003 £
FIXED ASSETS			
Intangible assets	9	1,717	1,717
Tangible assets	10	887,967	922,532
Investments	11	3,000	28,000
		<u>892,684</u>	<u>952,249</u>
CURRENT ASSETS			
Stocks	12	322,234	349,937
Debtors	13	984,570	1,055,425
Cash at bank and in hand		837,171	898,722
		<u>2,143,975</u>	<u>2,304,084</u>
CREDITORS: Amounts falling due within one year	14	1,083,919	1,285,378
		<u>1,060,056</u>	<u>1,018,706</u>
NET CURRENT ASSETS			
		<u>1,952,740</u>	<u>1,970,955</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>1,952,740</u>	<u>1,970,955</u>
CAPITAL AND RESERVES			
Called up share capital	15	200,000	200,000
Profit and loss account	16	1,752,740	1,770,955
		<u>1,952,740</u>	<u>1,970,955</u>
SHAREHOLDERS' FUNDS			
	17	<u>1,952,740</u>	<u>1,970,955</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

Approved by the board on 20/09/2004

L D Dennison

Director

Directa (UK) Limited
CASH FLOW STATEMENT
for the year ended 30 April 2004

	<i>Notes</i>	2004 £	2003 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	18	146,662	125,749
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		26,965	35,069
Net cash inflow for returns on investments and servicing of finance		26,965	35,069
TAXATION		(66,000)	(23,618)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Payments to acquire tangible assets		(104,678)	(331,185)
Payments to acquire investments		-	5,139
Receipts from sales of tangible assets		15,500	13,101
Net cash outflow for capital expenditure		(89,178)	(312,945)
ACQUISITIONS AND DISPOSALS			
Purchase of subsidiary undertakings (net of cash acquired)		-	(25,000)
Net cash outflow for acquisitions and disposals		-	(25,000)
EQUITY DIVIDENDS PAID		(80,000)	(80,000)
DECREASE IN CASH IN THE YEAR		(61,551)	(280,745)

Directa (UK) Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

PATENTS

Patents are stated at cost and are not amortised.

TANGIBLE FIXED ASSETS

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

Land and buildings Freehold	Depreciation is provided on freehold buildings, to write off the cost in full over a period of 50 years from acquisition.
Plant and machinery	10- 33 1/3% per annum
Motor vehicles	10 -33 1/3% per annum

INVESTMENTS

Fixed asset investments are stated at cost less provision for diminution in value.

STOCK

Stocks are valued at the lower of cost and net realisable value. Costs have been calculated on a 'first in first out' basis.

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 arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met.

Deferred tax balances are not discounted.

PENSIONS CONTRIBUTIONS

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

TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to external customers. This is after deducting discounts given and credit notes issued.

CONSOLIDATED FINANCIAL STATEMENTS

The company is exempt from the requirement to prepare consolidated financial statements by virtue of the Companies Act 1985 as the group it heads qualifies as a medium size group. These financial statements therefore present information about the company as an individual undertaking and not about its group.

FOREIGN CURRENCY

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the accounting date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

Directa (UK) Limited

NOTES TO THE ABBREVIATED ACCOUNTS

for the year ended 30 April 2004

1. TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and profit before taxation were all derived from its principal activity wholly undertaken in the United Kingdom.

2. OTHER OPERATING EXPENSES (NET)	2004 £	2003 £
Distribution costs	1,134,499	1,098,505
Administrative expenses	1,288,566	1,241,759
Other operating income	(49,729)	(48,849)
	<u>2,373,336</u>	<u>2,291,415</u>

3. INVESTMENT INCOME	2004 £	2003 £
Bank interest	<u>26,965</u>	<u>35,069</u>

4. AMOUNTS WRITTEN OFF INVESTMENTS	2004 £	2003 £
Amounts written off fixed asset investments:		
Permanent diminution in value	25,000	-
Amounts written off investments in prior years written back:		
Fixed assets	-	(5,139)
	<u>25,000</u>	<u>(5,139)</u>

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2004 £	2003 £
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation of tangible assets:		
Charge for the year:		
owned assets	121,042	121,204
Loss/(profit) on disposals	2,701	(6,744)
Auditors' remuneration	<u>10,500</u>	<u>12,000</u>

Directa (UK) Limited

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

for the year ended 30 April 2004

6. EMPLOYEES

The average monthly number of persons (including directors) employed by the company during the year was:	2004 No.	2003 No.
Manufacturing	5	5
Selling and distribution	32	37
Office and management	15	14
	<u>52</u>	<u>56</u>

	£	£
Staff costs for the above persons:		
Wages and salaries	1,225,636	1,250,871
Social security costs	138,723	128,719
Other pension costs	21,915	22,146
	<u>1,386,274</u>	<u>1,401,736</u>

DIRECTORS' REMUNERATION	2004 £	2003 £
Emoluments for qualifying services	<u>426,401</u>	<u>426,077</u>

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	<u>130,317</u>	<u>136,333</u>
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Directa (UK) Limited

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

for the year ended 30 April 2004

7. TAXATION	2004 £	2003 £
Domestic current year tax		
U.K. corporation tax	18,665	66,000
Adjustment for prior years	-	(1,382)
	<u>18,665</u>	<u>64,618</u>
Current tax charge		
Deferred tax		
Deferred tax charge/credit current year	14,897	(12,027)
	<u>33,562</u>	<u>52,591</u>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	55,347	222,994
	<u>55,347</u>	<u>222,994</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00 % (2003 : 30.00 %)	10,516	66,898
	<u>10,516</u>	<u>66,898</u>
Effects of:		
Non deductible expenses	1,986	2,417
Depreciation in excess of capital allowances	6,402	3,925
Marginal relief	-	(7,215)
Adjustments to previous periods	-	(1,382)
Chargeable disposals	5,263	-
Group relief	-	(1,951)
Movement in specific provision	(5,502)	-
Other tax adjustments	-	1,926
	<u>8,149</u>	<u>(2,280)</u>
Current tax charge	<u>18,665</u>	<u>64,618</u>
8. DIVIDENDS	2004 £	2003 £
Ordinary:		
Final proposed - £0.20 (2003 - £0.40)	40,000	80,000
	<u>40,000</u>	<u>80,000</u>
9. INTANGIBLE FIXED ASSETS		
		<i>Patents</i>
		£
Cost		
1 May 2003 and 30 April 2004		1,717
Net book value		
30 April 2004		1,717
		<u>1,717</u>
30 April 2003		1,717
		<u>1,717</u>

Directa (UK) Limited

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

for the year ended 30 April 2004

10. TANGIBLE FIXED ASSETS

	<i>Land and buildings Freehold</i>	<i>Plant and machinery</i>	<i>Motor vehicles</i>	<i>Total</i>
	£	£	£	£
Cost				
1 May 2003	750,221	330,354	431,478	1,512,053
Additions	5,144	21,234	78,300	104,678
Disposals	-	-	(60,400)	(60,400)
30 April 2004	755,365	351,588	449,378	1,556,331
Depreciation				
1 May 2003	35,856	297,768	255,897	589,521
Charge in the year	15,308	17,588	88,146	121,042
Disposals	-	-	(42,199)	(42,199)
30 April 2004	51,164	315,356	301,844	668,364
Net book value				
30 April 2004	704,201	36,232	147,534	887,967
30 April 2003	714,365	32,586	175,581	922,532

Directa (UK) Limited

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

for the year ended 30 April 2004

11. FIXED ASSET INVESTMENTS

	<i>Unlisted Shares in group investments</i>	<i>undertakings</i>	<i>Total</i>
	£	£	£
Cost			
1 May 2003	25,000	3,000	28,000
Disposals	(25,000)	-	(25,000)
	<u> </u>	<u> </u>	<u> </u>
30 April 2004	-	3,000	3,000
	<u> </u>	<u> </u>	<u> </u>

In the opinion of the directors the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

<i>Company</i>	<i>Country of registration or incorporation</i>	<i>Shares held</i>	
		<i>Class</i>	<i>%</i>
Subsidiary undertakings			
Surefire Entertainments Limited	England and Wales	Ordinary	60
Last Serenade Productions Limited	England and Wales	Ordinary	75

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	<i>Capital and reserves</i>	<i>Profit/(loss) for the year</i>
	£	£
Surefire Entertainments Limited	(84,062)	(101,621)
Last Serenade Productions Limited	(162,660)	-
	<u> </u>	<u> </u>

The company owns 100% of the issued share capital of the following non-trading companies which are registered in England and Wales:

241 (Entertainments) Limited

Dream Kids Limited

Dream Concerts Limited

12. STOCKS	2004	2003
	£	£
Finished goods and goods for resale	322,234	349,937
	<u> </u>	<u> </u>

There is no material difference between the replacement cost of stocks and the amounts stated above.

Directa (UK) Limited

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

for the year ended 30 April 2004

13 . DEBTORS	2004	2003
	£	£
Due within one year:		
Trade debtors	878,388	917,283
Amounts owed by subsidiary undertakings	19,681	-
Other debtors	-	36,000
Prepayments and accrued income	51,075	51,819
Deferred tax asset	35,426	50,323
	<u>984,570</u>	<u>1,055,425</u>

Deferred tax

	2004
	£
Balance at 1 May 2003	50,323
Profit and loss account	(14,897)
	<u>35,426</u>
Balance at 30 April 2004	<u>35,426</u>

	2004	2003
	£	£
Accelerated capital allowances	29,773	36,148
Other timing differences	5,653	14,175
	<u>35,426</u>	<u>50,323</u>

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

14 . CREDITORS: Amounts falling due within one year	2004	2003
	£	£
Trade creditors	713,776	719,767
Amounts owed to group undertakings	-	469
Corporation tax	18,665	66,000
Other taxes and social security costs	143,664	123,229
Accruals and deferred income	167,814	295,913
Proposed dividend	40,000	80,000
	<u>1,083,919</u>	<u>1,285,378</u>

Directa (UK) Limited

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

for the year ended 30 April 2004

15. SHARE CAPITAL	2004 £	2003 £
Authorised:		
1,000,000 Ordinary shares of £ 1 each	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, issued and fully paid:		
200,000 Ordinary shares of £ 1 each	<u>200,000</u>	<u>200,000</u>
16. STATEMENT OF MOVEMENT ON RESERVES		
		<i>Profit and loss account</i> £
1 May 2003		1,770,955
Retained loss for the year		<u>(18,215)</u>
30 April 2004		<u>1,752,740</u>
17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2004 £	2003 £
Profit for the financial year	21,785	170,403
Dividends	<u>(40,000)</u>	<u>(80,000)</u>
Net (depletion in)/addition to shareholders' funds	(18,215)	90,403
Opening shareholders' funds	<u>1,970,955</u>	<u>1,880,552</u>
Closing shareholders' funds	<u>1,952,740</u>	<u>1,970,955</u>

Directa (UK) Limited

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

for the year ended 30 April 2004

18. CASH FLOWS	2004 £	2003 £
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a. Reconciliation of operating profit to net cash inflow from operating activities

Operating profit	53,382	182,786
Depreciation of tangible assets	121,042	121,204
Loss/(profit) on disposal of tangible assets	2,701	(6,744)
Decrease/(increase) in stocks	27,703	(15,982)
Decrease/(increase) in debtors	55,958	(57,939)
Decrease in creditors within one year	(114,124)	(97,576)
Net cash inflow from operating activities	<u>146,662</u>	<u>125,749</u>

b. Analysis of net funds	1 May 2003 £	Cash flow £	Other non-cash changes £	30 April 2004 £
Net cash:				
Cash at bank and in hand	<u>898,722</u>	<u>(61,551)</u>	<u>-</u>	<u>837,171</u>
Bank deposits	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net funds	<u>898,722</u>	<u>(61,551)</u>	<u>-</u>	<u>837,171</u>

c. Reconciliation of net cash flow to movement in net debt	2004 £	2003 £
Decrease in cash in the year	<u>(61,551)</u>	<u>(280,745)</u>
Movement in net funds in the year	<u>(61,551)</u>	<u>(280,745)</u>
Opening net funds	<u>898,722</u>	<u>1,179,467</u>
Closing net funds	<u>837,171</u>	<u>898,722</u>

19. PENSION COMMITMENTS

DEFINED CONTRIBUTION

The company operates two defined contribution schemes. The assets of the schemes are held separately from those of the company in independently administered funds. There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

	2004 £	2003 £
Contributions payable by the company for the year	<u>21,915</u>	<u>22,146</u>