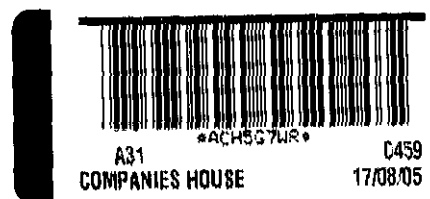


Directa (UK) Limited

ABBREVIATED ACCOUNTS

for the year ended

30 April 2005



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 2005.

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

During the year we managed to achieve a major overhaul of our product range, which was evident in the distribution of our revised catalogue. Whilst the year continued to be a challenge it is pleasing to report an increase in sales. Strict cost control has enabled us to reflect this improvement in terms of our nett profitability.

The company disposed of its shareholding in Surefire Entertainments Limited, which did not form part of its core activity.

EVENTS SINCE THE END OF THE YEAR

On 17 May 2005 the company acquired the entire share capital of Antgauge Limited for a total consideration of £125,000. Further details of the transaction are given in note 22.

RESULTS AND DIVIDENDS

The trading profit for the year after taxation was £94,591.

The directors recommend payment of an ordinary dividend amounting to £80,000.

DIRECTORS

The following directors have held office since 1 May 2004:-

L D Dennison
M D Coburn
T Neale
M V Storey
A D Dennison (Appointed 11 June 2004)

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>	
	30.4.05	1.5.04
L D Dennison	100,000	100,000
M D Coburn	60,000	60,000
T Neale	-	-
M V Storey	-	-
A D Dennison	-	-

Directa (UK) Limited

DIRECTORS' REPORT

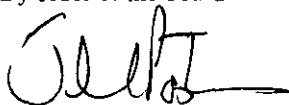
MARKET VALUE OF LAND AND BUILDINGS

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

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 July 2005

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 17, together with the financial statements of the company for the year ended 30 April 2005 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

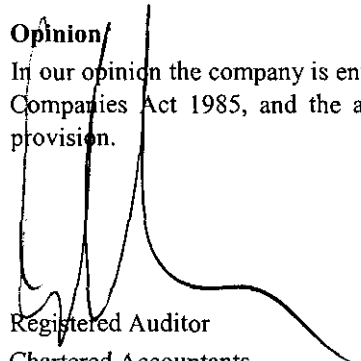
The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of 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 17 are properly prepared in accordance with that provision.



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

20 July 2005

Directa (UK) Limited

ABBREVIATED PROFIT AND LOSS ACCOUNT

for the year ended 30 April 2005

	Notes	2005 £	2004 £
Gross profit		2,619,789	2,426,719
Other operating expenses (net)		2,595,242	2,373,337
OPERATING PROFIT		24,547	53,382
Investment income	4	47,000	-
Other interest receivable and similar income	4	41,289	26,965
		112,836	80,347
Amounts written off investments		-	25,000
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	6	112,836	55,347
Taxation		18,245	33,562
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		94,591	21,785
Dividends		80,000	40,000
RETAINED PROFIT/(LOSS) FOR THE YEAR		14,591	(18,215)

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 2005

	Notes	2005 £	2004 £
FIXED ASSETS			
Intangible assets	10	1,717	1,717
Tangible assets	11	972,650	887,967
Investments		-	3,000
		<u>974,367</u>	<u>892,684</u>
CURRENT ASSETS			
Stocks	13	379,831	322,234
Debtors		1,047,991	984,570
Cash at bank and in hand		782,348	837,171
		<u>2,210,170</u>	<u>2,143,975</u>
CREDITORS: Amounts falling due within one year		1,217,206	1,083,919
		<u>992,964</u>	<u>1,060,056</u>
NET CURRENT ASSETS			
		<u>1,967,331</u>	<u>1,952,740</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>1,967,331</u>	<u>1,952,740</u>
CAPITAL AND RESERVES			
Called up share capital		200,000	200,000
Profit and loss account		1,767,331	1,752,740
SHAREHOLDERS' FUNDS	18	<u>1,967,331</u>	<u>1,952,740</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 July 2005

L D Dennison

Director



Directa (UK) Limited

CASH FLOW STATEMENT

for the year ended 30 April 2005

	<i>Notes</i>	2005 £	2004 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	18	63,086	146,662
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		41,289	26,965
Net cash inflow for returns on investments and servicing of finance		41,289	26,965
TAXATION		(18,665)	(66,000)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Payments to acquire tangible assets		(205,733)	(104,678)
Receipts from sales of tangible assets		55,200	15,500
Net cash outflow for capital expenditure		(89,178)	(64,178)
EQUITY DIVIDENDS PAID		(40,000)	(80,000)
DECREASE IN CASH IN THE YEAR		(61,551)	(36,551)

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. The patents are reviewed annually for impairment.

TANGIBLE FIXED ASSETS

Depreciation is provided to write off the cost, 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	2% per annum on freehold buildings
Plant and machinery	3-10 years straight line
Motor vehicles	4-6 years straight line

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 is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

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 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 2005

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.

OTHER OPERATING EXPENSES (NET)	2005 £	2004 £
Distribution costs	1,245,630	1,134,499
Administrative expenses	1,372,744	1,288,567
Other operating income	(23,132)	(49,729)
	<u>2,595,242</u>	<u>2,373,337</u>

4. INVESTMENT INCOME	2005 £	2004 £
Profit on disposal of unlisted investments	47,000	-
Bank interest	41,289	26,965
	<u>88,289</u>	<u>26,965</u>

AMOUNTS WRITTEN OFF INVESTMENTS	2005 £	2004 £
Amounts written off fixed asset investments:		
Permanent diminution in value	-	25,000
	<u>-</u>	<u>25,000</u>

6. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2005 £	2004 £
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation of tangible assets:		
Charge for the year:		
owned assets	108,497	121,042
(Profit)/loss on disposals	(42,647)	2,701
Auditors' remuneration	10,900	10,500
	<u>108,497</u>	<u>121,042</u>

Directa (UK) Limited

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

for the year ended 30 April 2005

EMPLOYEES

The average monthly number of persons (including directors) employed by the company during the year was:

	2005 No.	2004 No.
Manufacturing	5	5
Selling and distribution	35	32
Office and management	15	15
	<u>55</u>	<u>52</u>

Staff costs for the above persons:

	£	£
Wages and salaries	1,439,811	1,225,637
Social security costs	148,585	138,723
Other pension costs	22,559	21,915
	<u>1,610,955</u>	<u>1,386,275</u>

DIRECTORS' REMUNERATION

	2005 £	2004 £
Emoluments for qualifying services	528,250	426,402
Company pension contributions to money purchase schemes	7,091	6,937
	<u>535,341</u>	<u>433,339</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2004- 2).

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

Emoluments for qualifying services	<u>138,723</u>	<u>130,317</u>
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Directa (UK) Limited

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) for the year ended 30 April 2005

TAXATION	2005 £	2004 £
Domestic current year tax		
U.K. corporation tax	(2,500)	18,665
Current tax charge	(2,500)	18,665
Deferred tax		
Deferred tax charge/credit current year	20,745	14,897
	<u>18,245</u>	<u>33,562</u>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	<u>112,836</u>	<u>55,347</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax for small companies of 19.00% (2004: 19.00%)	<u>21,439</u>	<u>10,516</u>
Effects of:		
Non deductible expenses	2,780	1,986
Net depreciation/capital allowances	(19,352)	6,402
Chargeable disposals	-	5,263
Disposal of substantial shareholding	(8,930)	-
Movement in specific provision	1,188	(5,502)
Other tax adjustments	375	-
	<u>(23,939)</u>	<u>8,149</u>
Current tax charge	<u>(2,500)</u>	<u>18,665</u>
DIVIDENDS	2005 £	2004 £
Ordinary:		
Final proposed - £0.40 (2004 - £0.20)	<u>80,000</u>	<u>40,000</u>
10. INTANGIBLE FIXED ASSETS		
		<i>Patents</i> £
Cost		
1 May 2004 and 30 April 2005		1,717
Net book value		
30 April 2005		<u>1,717</u>
30 April 2004		<u>1,717</u>

Directa (UK) Limited

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

for the year ended 30 April 2005

TANGIBLE FIXED ASSETS

	<i>Land and buildings Freehold</i>	<i>Plant and machinery</i>	<i>Motor vehicles</i>	<i>Total</i>
	£	£	£	£
Cost				
1 May 2004	755,365	351,588	449,378	1,556,331
Additions	-	4,884	200,849	205,733
Disposals	-	(17,667)	(229,885)	(247,552)
30 April 2005	755,365	338,805	420,342	1,514,512
Depreciation				
1 May 2004	51,164	315,356	301,844	668,364
Charge in the year	15,278	14,758	78,461	108,497
Disposals	-	(17,659)	(217,340)	(234,999)
30 April 2005	66,442	312,455	162,965	541,862
Net book value				
30 April 2005	688,923	26,350	257,377	972,650
30 April 2004	704,201	36,232	147,534	887,967

Directa (UK) Limited

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

for the year ended 30 April 2005

FIXED ASSET INVESTMENTS

	<i>Shares in group undertakings</i>
	£
Cost	
1 May 2004	9,079
Disposals	(3,000)
30 April 2005	6,079
Provisions for diminution in value	
1 May 2004 and 30 April 2005	6,079
Net book value	
30 April 2005	-

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			
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>
	£	£
Last Serenade Productions Limited	(162,660)	-

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

Directa (UK) Limited

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

for the year ended 30 April 2005

13. STOCKS	2005 £	2004 £
Finished goods and goods for resale	379,831	322,234

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

DEBTORS	2005 £	2004 £
Due within one year:		
Trade debtors	977,085	878,388
Amounts owed by subsidiary undertakings	-	19,681
Corporation tax	2,500	-
Prepayments and accrued income	53,725	51,075
Deferred tax asset	14,681	35,426
	1,047,991	984,570

Deferred tax

	2005 £
Balance at 1 May 2004	35,426
Profit and loss account	(20,745)
Balance at 30 April 2005	14,681

	2005 £	2004 £
Accelerated capital allowances	7,841	29,773
Other timing differences	6,840	5,653
	14,681	35,426

CREDITORS: Amounts falling due within one year	2005 £	2004 £
Trade creditors	789,421	713,776
Corporation tax	-	18,665
Other taxes and social security costs	122,319	143,664
Accruals and deferred income	225,466	167,814
Proposed dividend	80,000	40,000
	1,217,206	1,083,919

Directa (UK) Limited

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

for the year ended 30 April 2005

SHARE CAPITAL	2005 £	2004 £
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>
STATEMENT OF MOVEMENT ON RESERVES		
		<i>Profit and loss account £</i>
1 May 2004		1,752,740
Retained profit for the year		<u>14,591</u>
30 April 2005		<u>1,767,331</u>
18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2005 £	2004 £
Profit for the financial year	94,591	21,785
Dividends	<u>(80,000)</u>	<u>(40,000)</u>
Net addition to/(depletion in) shareholders' funds	14,591	(18,215)
Opening shareholders' funds	<u>1,952,740</u>	<u>1,970,955</u>
Closing shareholders' funds	<u>1,967,331</u>	<u>1,952,740</u>

Directa (UK) Limited

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) for the year ended 30 April 2005

CASH FLOWS	2005 £	2004 £
a. Reconciliation of operating profit to net cash inflow from operating activities		
Operating profit	24,547	53,382
Depreciation of tangible assets	108,497	121,042
(Profit)/loss on disposal of tangible assets	(42,647)	2,701
(Increase)/decrease in stocks	(57,597)	27,703
(Increase)/decrease in debtors	(81,666)	55,958
Increase/(decrease) in creditors within one year	111,952	(114,124)
Net cash inflow from operating activities	<u>63,086</u>	<u>146,662</u>

b. Analysis of net funds	1 May 2004 £	Cash flow £	Other non-cash changes £	30 April 2005 £
Net cash:				
Cash at bank and in hand	<u>837,171</u>	<u>(54,823)</u>	<u>-</u>	<u>782,348</u>
Bank deposits	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net funds	<u>837,171</u>	<u>(54,823)</u>	<u>-</u>	<u>782,348</u>

c. Reconciliation of net cash flow to movement in net debt	2005 £	2004 £
Decrease in cash in the year	<u>(54,823)</u>	<u>(61,551)</u>
Movement in net funds in the year	<u>(54,823)</u>	<u>(61,551)</u>
Opening net funds	<u>837,171</u>	<u>898,722</u>
Closing net funds	<u>782,348</u>	<u>837,171</u>

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.

	2005 £	2004 £
Contributions payable by the company for the year	<u>22,559</u>	<u>21,915</u>

CONTROL

The ultimate controlling party is Mr L D Dennison by virtue of his majority shareholding.

Directa (UK) Limited

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

for the year ended 30 April 2005

22. SUBSEQUENT EVENTS

On 17 May 2005, the company acquired the entire share capital of Antgauge Limited for a total consideration of £125,000. In addition, deferred consideration up to an amount of £50,000 may be payable depending on levels of turnover and gross profit achieved in the two years post acquisition.

22. SUBSEQUENT EVENTS

On 17 May 2005, the company acquired the entire share capital of Antgauge Limited for a total consideration of £125,000. *In addition, deferred consideration up to an amount of £50,000 may be payable depending on levels of turnover and gross profit achieved in the two years post acquisition.*