

Directa (UK) Limited

FINANCIAL STATEMENTS

for the year ended

30 April 2007



Company Registration No 1008317

Directa (UK) Limited

DIRECTORS AND OFFICERS

DIRECTORS

L D Dennison
M D Coburn
T Neale
M V Storey
A D Dennison
C D Crowley

SECRETARY

J M Poston

COMPANY NUMBER

1008317 (England and Wales)

REGISTERED OFFICE

Cold Norton
Essex
CM3 6UA

AUDITORS

Baker Tilly UK Audit LLP
Chartered Accountants
Victoria Road South
Chelmsford
Essex
CM1 1LN

BANKERS

National Westminster Bank plc
6 High Street
Chelmsford
Essex
CM1 1BL

Directa (UK) Limited

DIRECTORS' REPORT

The directors present their report and financial statements of Directa (UK) Limited for the year ended 30 April 2007

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 AND FUTURE DEVELOPMENTS

2006-7 was an extremely busy year for Directa with the steps taken in the previous year allowing us to achieve our main objective of a return to substantial profitability. Helped by a much improved presence on the web and our acquisition of Antgauge Ltd sales soared by over 11% above the previous year.

Careful control of costs enabled an unchanged gross profit percentage at around 47.5%. The increase in turnover coupled with tight controls saw our nett profit before taxation return to a more respectable figure improving to just over a £100k from last year's £1k. Nett trade debtors were held at around 1.6 months.

Our main risk continues to be that of a very competitive market with much competition. There remains the need to replace our computer system in the coming year. Considerable cost is expected although some will be of a capital nature.

In as far as the future is concerned the Directors believe that our company has a very sound financial footing which sees us able to weather the uncertainties facing industrial companies and to exploit opportunities as they arise.

We have made a small investment in Over-C (UK) Ltd, who trade in an unrelated sector which we hope will yield positive results within the next two to three years.

RESULTS AND DIVIDENDS

The trading profit for the year after taxation was £86,830.

The directors anticipate payment of an ordinary dividend of £80,000 in respect of the year ended 30 April 2007 to be paid after the year end.

DIRECTORS

The following directors have held office since 1 May 2006:

L D Dennison
M D Coburn
T Neale
M V Storey
A D Dennison
C D Crowley

MARKET VALUE OF LAND AND BUILDINGS

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

Directa (UK) Limited

DIRECTORS' REPORT (CONTINUED)

AUDITORS

The directors, having been notified of the cessation of the partnership known as Baker Tilly, resolved that Baker Tilly UK Audit LLP be appointed as successor auditor with effect from 1 April 2007, in accordance with the provisions of the Companies Act 1989, s26(5). Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

By order of the board



J M Poston

Secretary

13.8.07

Directa (UK) Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Practice. 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 that 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 THE MEMBERS OF DIRECTA (UK) LIMITED

We have audited the financial statements on pages 6 to 18

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 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 the directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' report is consistent with the financial statements.

In addition we 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

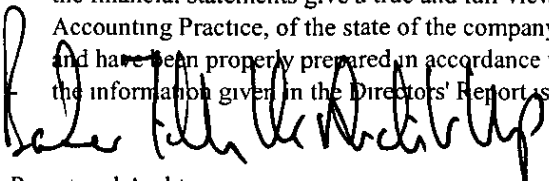
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs at 30 April 2007 and of its profit for the year then ended and 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.


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

13.8.07

Directa (UK) Limited
 PROFIT AND LOSS ACCOUNT
 for the year ended 30 April 2007

	<i>Notes</i>	2007 £	2006 £
TURNOVER	1	6,346,322	5,670,633
Cost of sales		<u>3,328,993</u>	<u>2,982,408</u>
Gross profit		3,017,329	2,688,225
Other operating expenses (net)	2	<u>2,939,770</u>	<u>2,713,048</u>
OPERATING PROFIT/(LOSS)		77,559	(24,823)
Investment income	3	<u>35,118</u>	<u>26,820</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	112,677	1,997
Taxation	6	<u>25,847</u>	<u>(8,426)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>86,830</u>	<u>10,423</u>

The operating profit/(loss) 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 2007

	Notes	2007 £	2006 £
FIXED ASSETS			
Intangible assets	8	92,237	92,237
Tangible assets	9	918,910	946,049
Investments	10	50,000	50,000
		<u>1,061,147</u>	<u>1,088,286</u>
CURRENT ASSETS			
Stocks	11	365,661	454,580
Debtors	12	1,170,653	1,079,488
Cash at bank and in hand		603,482	430,188
		<u>2,139,796</u>	<u>1,964,256</u>
CREDITORS Amounts falling due within one year	13	1,216,359	1,074,788
		<u>923,437</u>	<u>889,468</u>
NET CURRENT ASSETS			
		<u>1,984,584</u>	<u>1,977,754</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>1,984,584</u>	<u>1,977,754</u>
CAPITAL AND RESERVES			
Called up share capital	14	200,000	200,000
Profit and loss account	15	1,784,584	1,777,754
		<u>1,984,584</u>	<u>1,977,754</u>
SHAREHOLDERS' FUNDS	16	1,984,584	1,977,754
		<u>1,984,584</u>	<u>1,977,754</u>

The financial statements on pages 6 to 18 were approved by the board of directors and authorised for issue on and are signed on its behalf by

13.8.07

L D Dennison

Director

Directa (UK) Limited

CASH FLOW STATEMENT

for the year ended 30 April 2007

	<i>Notes</i>	2007 £	2006 £
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	17	298,162	(77,753)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		26,225	26,820
Dividends received		8,893	-
Net cash inflow for returns on investments and servicing of finance		35,118	26,820
TAXATION		-	3,315
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Payments to acquire tangible assets		(79,986)	(91,821)
Payments to acquire investments		-	(165,520)
Receipts from sales of tangible assets		-	7,799
Receipts from sales of investments		-	25,000
Net cash outflow for capital expenditure		(79,986)	(224,542)
EQUITY DIVIDENDS PAID		(80,000)	(80,000)
INCREASE/(DECREASE) IN CASH IN THE YEAR		173,294	(352,160)

Directa (UK) Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention

CONSOLIDATED FINANCIAL STATEMENTS

The company is exempt from the requirements 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.

GOODWILL

Goodwill representing the excess of the purchase price compared with the fair value of assets acquired is capitalised and has not been written off during the year. The directors will commence writing off goodwill from 1 May 2007 over 10 years as in the opinion of the directors this represents the period over which the goodwill is effective.

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:

Freehold land and buildings	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.

FOREIGN CURRENCY TRANSLATION

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.

TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers. This is after deducting discounts given and credit notes issued. Goods are invoiced upon despatch from the company's premises.

Directa (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2007

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)	2007 £	2006 £
Distribution costs	1,278,344	1,159,277
Administrative expenses	1,676,494	1,586,702
Other operating income	(15,068)	(32,931)
	<u>2,939,770</u>	<u>2,713,048</u>

3 INVESTMENT INCOME	2007 £	2006 £
Dividend received	8,893	-
Bank interest	26,225	26,746
Other interest	-	74
	<u>35,118</u>	<u>26,820</u>

4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2007 £	2006 £
Profit on ordinary activities before taxation is stated after charging/(crediting)		
Depreciation of tangible assets		
Charge for the year		
owned assets	107,125	107,642
Loss on disposals	-	2,981
Loss on foreign exchange transactions	12	306
Auditors' remuneration	<u>12,955</u>	<u>11,450</u>

Directa (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 April 2007

5 EMPLOYEES

The average monthly number of persons (including directors) employed by the company during the year was	2007 No	2006 No
Manufacturing	7	5
Selling and distribution	37	35
Office and management	17	16
	<u>61</u>	<u>56</u>

	£	£
Staff costs for the above persons		
Wages and salaries	1,601,170	1,530,188
Social security costs	182,460	161,075
Other pension costs	29,722	24,047
	<u>1,813,352</u>	<u>1,715,310</u>

DIRECTORS' REMUNERATION	2007 £	2006 £
Emoluments for qualifying services	563,796	560,544
Company pension contributions to money purchase schemes	12,472	7,490
	<u>576,268</u>	<u>568,034</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 3 (2006- 2)

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

Emoluments for qualifying services	<u>151,076</u>	<u>142,573</u>
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Directa (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 April 2007

6	TAXATION	2007 £	2006 £
	Domestic current year tax		
	U K corporation tax	29,242	-
	Adjustment for prior years	-	(815)
		<u>29,242</u>	<u>(815)</u>
	Current tax charge	29,242	(815)
	Deferred tax		
	Deferred tax charge/credit current year	(3,395)	(7,611)
		<u>25,847</u>	<u>(8,426)</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>112,677</u>	<u>1,997</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax for small companies of 19.08% (2006: 19.00%)	<u>21,499</u>	<u>379</u>
	Effects of		
	Non deductible expenses	5,621	3,464
	Corporate venturing scheme relief	-	(10,000)
	Net depreciation/capital allowances	784	7,610
	Income not deductible for tax	-	(1,453)
	Adjustments to previous periods	-	(815)
	Other tax adjustments	1,338	-
		<u>7,743</u>	<u>(1,194)</u>
	Current tax charge	<u>29,242</u>	<u>(815)</u>
7	DIVIDENDS	2007 £	2006 £
	Ordinary		
	Dividend paid - £0.40 (2006 - £0.40)	80,000	80,000
		<u>80,000</u>	<u>80,000</u>

Directa (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 April 2007

8 INTANGIBLE FIXED ASSETS

	<i>Patents</i> £	<i>Goodwill</i> £	<i>Total</i> £
Cost			
1 May 2006 and 30 April 2007	1,717	90,520	92,237
Net book value			
30 April 2007	1,717	90,520	92,237
30 April 2006	1,717	90,520	92,237

9 TANGIBLE FIXED ASSETS

	<i>Freehold land and buildings</i> £	<i>Plant and machinery</i> £	<i>Motor vehicles</i> £	<i>Total</i> £
Cost				
1 May 2006	755,365	378,612	422,147	1,556,124
Additions	28,981	35,760	15,245	79,986
Disposals	-	-	(13,495)	(13,495)
30 April 2007	784,346	414,372	423,897	1,622,615
Depreciation				
1 May 2006	81,750	330,396	197,929	610,075
Charge in the year	15,476	21,431	70,218	107,125
Disposals	-	-	(13,495)	(13,495)
30 April 2007	97,226	351,827	254,652	703,705
Net book value				
30 April 2007	687,120	62,545	169,245	918,910
30 April 2006	673,615	48,216	224,218	946,049

Directa (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 April 2007

10 FIXED ASSET INVESTMENTS

	<i>Shares in participating interests £</i>	<i>Shares in group undertakings £</i>	<i>Total £</i>
Cost			
1 May 2006 and 30 April 2007	50,000	6,079	56,079
Provisions for diminution in value			
1 May 2006 and 30 April 2007	-	6,079	6,079
Net book value			
30 April 2007	50,000	-	50,000
30 April 2006	50,000	-	50,000

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			
Essentials for Industry Limited	U K	Ordinary	100
Last Serenade Productions Limited	U K	Ordinary	100
Dream Kids Limited	U K	Ordinary	100

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>
Essentials for Industry Limited	1,000	-
Last Serenade Productions Limited	(162,660)	-
Dream Kids Limited	(3,527)	-

11 STOCKS

	<i>2007 £</i>	<i>2006 £</i>
Finished goods and goods for resale	365,661	454,580

Directa (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 April 2007

12	DEBTORS	2007 £	2006 £
	Due within one year		
	Trade debtors	1,098,619	1,016,376
	Prepayments and accrued income	46,347	40,820
	Deferred tax asset	25,687	22,292
		<u>1,170,653</u>	<u>1,079,488</u>
	Deferred tax	2007 £	
	Balance at 1 May 2006	22,292	
	Profit and loss account	3,395	
	Balance at 30 April 2007	<u>25,687</u>	
		2007 £	2006 £
	Depreciation in excess of capital allowances	17,087	15,452
	Other timing differences	8,600	6,840
		<u>25,687</u>	<u>22,292</u>
13	CREDITORS Amounts falling due within one year	2007 £	2006 £
	Trade creditors	766,806	722,944
	Amounts owed to group undertakings	327	327
	Corporation tax	29,242	-
	Other taxes and social security costs	172,334	135,559
	Accruals and deferred income	247,650	215,958
		<u>1,216,359</u>	<u>1,074,788</u>
14	SHARE CAPITAL	2007 £	2006 £
	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>

Directa (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 April 2007

15 STATEMENT OF MOVEMENT ON RESERVES

	<i>Profit and loss account £</i>
1 May 2006	1,777,754
Retained profit for the year	86,830
Dividends paid in year	(80,000)
30 April 2007	1,784,584

16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007 £	2006 £
Profit for the financial year	86,830	10,423
Dividends	(80,000)	(80,000)
Net addition to/(depletion in) shareholders' funds	6,830	(69,577)
Opening shareholders' funds	1,977,754	2,047,331
Closing shareholders' funds	1,984,584	1,977,754

Directa (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 April 2007

17	CASH FLOWS			2007	2006
				£	£
a	Reconciliation of operating profit/(loss) to net cash inflow/(outflow) from operating activities				
	Operating profit/(loss)			77,559	(24,823)
	Depreciation of tangible assets			107,125	107,642
	Loss on disposal of tangible assets			-	2,981
	Decrease/(increase) in stocks			88,919	(74,749)
	Increase in debtors			(87,770)	(26,386)
	Increase/(decrease) in creditors within one year			112,329	(62,418)
	Net cash inflow/(outflow) from operating activities			<u>298,162</u>	<u>(77,753)</u>
b	Analysis of net funds	1 May 2006	Cash flow	Other non-cash changes	30 April 2007
		£	£	£	£
	Net cash				
	Cash at bank and in hand	430,188	173,294	-	603,482
	Bank deposits	-	-	-	-
	Net funds	<u>430,188</u>	<u>173,294</u>	<u>-</u>	<u>603,482</u>
c	Reconciliation of net cash flow to movement in net debt			2007	2006
				£	£
	Increase/(decrease) in cash in the year			173,294	(352,160)
	Movement in net funds in the year			173,294	(352,160)
	Opening net funds			430,188	782,348
	Closing net funds			<u>603,482</u>	<u>430,188</u>
18	CAPITAL COMMITMENTS			2007	2006
				£	£
	Capital expenditure contracted for but not provided in the financial statements			<u>-</u>	<u>18,200</u>

Directa (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 April 2007

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.

	2007 £	2006 £
Contributions payable by the company for the year	<u>29,722</u>	<u>24,047</u>

20 CONTROL

The company is controlled by Mr L D Dennison, a director of the company and a major shareholder.

21 RELATED PARTY TRANSACTIONS

The company had no transactions with related parties.