

Directa (UK) Limited

FINANCIAL STATEMENTS

for the year ended

30 April 2008

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COMPANIES HOUSE

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

SECRETARY

J M Poston

COMPANY NUMBER

1008317 (England and Wales)

REGISTERED OFFICE

Cold Norton
Essex
CM3 6UA

AUDITORS

Baker Tilly UK Audit LLP
Marlborough House
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 2008

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

2007-08 proved to be an even busier year than the previous one with sales increasing from £6.35m to £6.8m. However, the tough economic climate meant a slight decline in the overall gross profit percentage. This increase in sales has enabled us to plan for further growth through the latter stages of 2007-08.

Upward pressure on overheads together with an unexpected taxation reallocation of prior years meant that net profit fell substantially to £17k.

Considerable capital expenditure has been committed for 2008-09 both for the new computer system and an additional warehouse, both of which are scheduled to be completed by the end of 2008. Increased depreciation charges are therefore to be expected in the coming year.

The future for 2008-09, with both the oil crisis and the credit squeeze, is very uncertain. However, our financial strength and our ability to be flexible over a number of areas causes the Directors to remain quietly confident. The depth of the slow down in the economy and its effect on business confidence going forward are likely to be the most significant factors affecting next year's results.

RESULTS AND DIVIDENDS

The trading profit for the year after taxation was £17,091.

The directors anticipate payment of an ordinary dividend of £80,000 in respect of the year ended 30 April 2008 to be paid after the year end.

DIRECTORS

The following directors have held office since 1 May 2007:

L D Dennison
M D Coburn
T Neale
M V Storey
A D Dennison
C D Crowley (Resigned 21 January 2008)

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 04 08	01 05 07
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 (CONTINUED)

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

AUDITORS

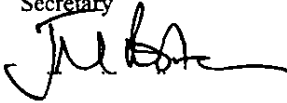
A resolution to reappoint Baker Tilly UK Audit LLP, Chartered Accountants will be put to the members at the annual general meeting

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



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 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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit and loss account 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

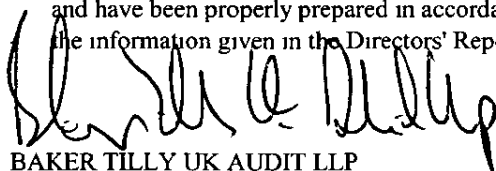
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 2008 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.



BAKER TILLY UK AUDIT LLP

Registered Auditor

Chartered Accountant

Marlborough House

Victoria Road South

Chelmsford

Essex

CM1 1LN

20 November 2008

Directa (UK) Limited
PROFIT AND LOSS ACCOUNT
for the year ended 30 April 2008

	<i>Notes</i>	2008 £	2007 £
TURNOVER	1	6,798,442	6,346,322
Cost of sales		3,618,182	3,328,993
Gross profit		3,180,260	3,017,329
Other operating expenses (net)	2	3,191,683	2,939,770
OPERATING (LOSS)/PROFIT		(11,423)	77,559
Investment income	3	38,566	35,118
		27,143	112,677
Interest payable	4	6,402	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	20,741	112,677
Taxation	7	3,650	25,847
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		17,091	86,830

The operating (loss)/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

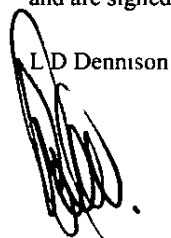
Directa (UK) Limited

BALANCE SHEET

30 April 2008

	Notes	2008 £	2007 £
FIXED ASSETS			
Intangible assets	9	92,237	92,237
Tangible assets	10	975,344	918,910
Investments	11	62,181	50,000
		<u>1,129,762</u>	<u>1,061,147</u>
CURRENT ASSETS			
Stocks	12	425,924	365,661
Debtors	13	1,197,627	1,170,653
Cash at bank and in hand		573,588	603,482
		<u>2,197,139</u>	<u>2,139,796</u>
CREDITORS Amounts falling due within one year	14	1,405,226	1,216,359
NET CURRENT ASSETS		<u>791,913</u>	<u>923,437</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,921,675</u>	<u>1,984,584</u>
		<u>1,921,675</u>	<u>1,984,584</u>
CAPITAL AND RESERVES			
Called up share capital	15	200,000	200,000
Profit and loss account	16	1,721,675	1,784,584
SHAREHOLDERS' FUNDS	17	<u>1,921,675</u>	<u>1,984,584</u>

The financial statements on pages 6 to 18 were approved by the board of directors and authorised for issue on 10/11/08 and are signed on its behalf by


L.D. Dennison

Director

Directa (UK) Limited

CASH FLOW STATEMENT

for the year ended 30 April 2008

	<i>Notes</i>	2008 £	2007 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	18	203,660	298,162
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		38,566	26,225
Interest paid		(6,402)	-
Dividends received		-	8,893
Net cash inflow for returns on investments and servicing of finance		32,164	35,118
TAXATION		(22,779)	-
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Payments to acquire tangible assets		(193,557)	(79,986)
Payments to acquire investments		(12,181)	-
Receipts from sales of tangible assets		42,799	-
Net cash outflow for capital expenditure		(162,939)	(79,986)
EQUITY DIVIDENDS PAID		(80,000)	(80,000)
(DECREASE)/INCREASE IN CASH IN THE YEAR		(29,894)	173,294

Directa (UK) Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention

CONSOLIDATED FINANCIAL STATEMENTS

The company has claimed exemption from the requirements for a medium sized group to prepare consolidated financial statements under The Companies Act 2006 s405, on the basis that inclusion of the dormant subsidiaries is not material for the purposes of giving a true and fair view. 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 prior year policy was to amortise the goodwill over the expected useful economic life. The directors have undertaken an annual impairment review in the year, which is considered by the directors to be a more appropriate policy for goodwill.

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:

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 2008

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)	2008 £	2007 £
	Distribution costs	1,376,058	1,278,344
	Administrative expenses	1,830,934	1,676,494
	Other operating income	(15,309)	(15,068)
		<u>3,191,683</u>	<u>2,939,770</u>
3	INVESTMENT INCOME	2008 £	2007 £
	Income from subsidiary undertakings	-	8,893
	Bank interest	37,061	26,225
	Other interest	1,505	-
		<u>38,566</u>	<u>35,118</u>
4	INTEREST PAYABLE	2008 £	2007 £
	On overdue tax	<u>6,402</u>	<u>-</u>
5	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2008 £	2007 £
	Profit on ordinary activities before taxation is stated after charging/(crediting)		
	Depreciation of tangible assets		
	Charge for the year		
	owned assets	102,826	107,125
	Profit on disposals	(8,502)	-
	Loss on foreign exchange transactions	-	12
	Auditors' remuneration	11,800	11,250
	Remuneration of auditors for non-audit work	<u>13,765</u>	<u>6,295</u>

Directa (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 April 2008

6 EMPLOYEES

The average monthly number of persons (including directors) employed by the company during the year was	2008 No	2007 No
Manufacturing	5	7
Selling and distribution	39	37
Office and management	17	17
	<u>61</u>	<u>61</u>

	£	£
Staff costs for the above persons		
Wages and salaries	1,748,570	1,601,170
Social security costs	214,188	182,460
Other pension costs	29,075	29,722
	<u>1,991,833</u>	<u>1,813,352</u>

DIRECTORS' REMUNERATION	2008 £	2007 £
Emoluments for qualifying services	703,984	563,796
Company pension contributions to money purchase schemes	12,898	12,472
	<u>716,882</u>	<u>576,268</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 3 (2007- 2)

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

Emoluments for qualifying services	<u>162,640</u>	<u>151,076</u>
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Directa (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 April 2008

7	TAXATION	2008 £	2007 £	
	Domestic current year tax			
	U K corporation tax	11,579	29,242	
	Adjustment for prior years	(7,167)	-	
	Current tax charge	4,412	29,242	
	Deferred tax			
	Origination and reversal of timing differences	(762)	(3,395)	
		3,650	25,847	
	Factors affecting the tax charge for the year			
	Profit on ordinary activities before taxation	20,741	112,677	
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax for small companies of 20.00% (2007: 19.08%)	4,148	21,499	
	Effects of			
	Non deductible expenses	18,664	5,621	
	Corporate venturing scheme relief	(2,436)	-	
	Capital allowances in excess of depreciation	(8,841)	784	
	Income not deductible for tax	(13)	-	
	Adjustments to previous periods	(7,167)	-	
	Other tax adjustments	57	1,338	
	Current tax charge	4,412	29,242	
8	DIVIDENDS	2008 £	2007 £	
	Ordinary			
	Interim paid - £0.40 (2007 - £0.40)	80,000	80,000	
9	INTANGIBLE FIXED ASSETS			
		<i>Patents</i> £	<i>Goodwill</i> £	<i>Total</i> £
	Cost			
	1 May 2007 and 30 April 2008	1,717	90,520	92,237
	Net book value			
	30 April 2008	1,717	90,520	92,237
	30 April 2007	1,717	90,520	92,237

Directa (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 April 2008

9 INTANGIBLE FIXED ASSETS

	<i>Patents</i>	<i>Goodwill</i>	<i>Total</i>
	£	£	£
Cost			
1 May 2007 and 30 April 2008	1,717	90,520	92,237
Net book value			
30 April 2008	1,717	90,520	92,237
30 April 2007	1,717	90,520	92,237

10 TANGIBLE FIXED ASSETS

	<i>Freehold land and buildings</i>	<i>Plant and machinery</i>	<i>Motor vehicles</i>	<i>Total</i>
	£	£	£	£
Cost				
1 May 2007	784,346	414,372	423,897	1,622,615
Additions	19,264	115,089	59,204	193,557
Disposals	-	(13,087)	(123,779)	(136,866)
30 April 2008	803,610	516,374	359,322	1,679,306
Depreciation				
1 May 2007	97,226	351,827	254,652	703,705
Charge in the year	16,052	24,122	62,652	102,826
Disposals -	-	(13,086)	(89,483)	(102,569)
30 April 2008	113,278	362,863	227,821	703,962
Net book value				
30 April 2008	690,332	153,511	131,501	975,344
30 April 2007	687,120	62,545	169,245	918,910

Directa (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 April 2008

11 FIXED ASSET INVESTMENTS

	<i>Shares in participating interests</i>	<i>Shares in group undertakings</i>	<i>Total</i>
	£	£	£
Cost			
1 May 2007	50,000	6,079	56,079
Additions	12,181	-	12,181
30 April 2008	62,181	6,079	68,260
Provisions for diminution in value			
1 May 2007 and 30 April 2008	-	6,079	6,079
Net book value			
30 April 2008	62,181	-	62,181
30 April 2007	50,000	-	50,000

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. The subsidiaries were dormant throughout the financial year.

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)	-

Directa (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 April 2008

12	STOCKS	2008 £	2007 £
	Finished goods and goods for resale	425,924	365,661
13	DEBTORS	2008 £	2007 £
	Due within one year		
	Trade debtors	1,115,488	1,098,619
	Prepayments and accrued income	55,690	46,347
	Deferred tax asset	26,449	25,687
		1,197,627	1,170,653
	Deferred tax	2008 £	
	Balance at 1 May 2007	25,687	
	Profit and loss account	762	
	Balance at 30 April 2008	26,449	
		2008 £	2007 £
	Accelerated capital allowances	17,419	17,087
	Other timing differences	9,030	8,600
		26,449	25,687
14	CREDITORS Amounts falling due within one year	2008 £	2007 £
	Trade creditors	825,500	766,806
	Amounts owed to group undertakings	327	327
	Corporation tax	10,875	29,242
	Other taxes and social security costs	151,088	172,334
	Accruals and deferred income	417,436	247,650
		1,405,226	1,216,359

Directa (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 April 2008

15	SHARE CAPITAL	2008 £	2007 £
	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 2007		1,784,584
	Retained loss for the year		<u>(62,909)</u>
	30 April 2008		<u>1,721,675</u>
17	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2008 £	2007 £
	Profit for the financial year	17,091	86,830
	Dividends	<u>(80,000)</u>	<u>(80,000)</u>
	Net (depletion in)/addition to shareholders' funds	(62,909)	6,830
	Opening shareholders' funds	<u>1,984,584</u>	<u>1,977,754</u>
	Closing shareholders' funds	<u>1,921,675</u>	<u>1,984,584</u>

Directa (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 April 2008

18	CASH FLOWS			2008	2007
				£	£
a	Reconciliation of operating (loss)/profit to net cash inflow from operating activities				
	Operating (loss)/profit			(11,423)	77,559
	Depreciation of tangible assets			102,826	107,125
	Profit on disposal of tangible assets			(8,502)	-
	(Increase)/decrease in stocks			(60,263)	88,919
	Increase in debtors			(26,212)	(87,770)
	Increase in creditors within one year			207,234	112,329
	Net cash inflow from operating activities			<u>203,660</u>	<u>298,162</u>
b	Analysis of net funds	1 May 2007	Cash flow	Other non-cash changes	30 April 2008
		£	£	£	£
	Net cash				
	Cash at bank and in hand	603,482	(29,894)	-	573,588
	Bank deposits	-	-	-	-
	Net funds	<u>603,482</u>	<u>(29,894)</u>	<u>-</u>	<u>573,588</u>
c	Reconciliation of net cash flow to movement in net debt			2008	2007
				£	£
	(Decrease)/increase in cash in the year			(29,894)	173,294
	Movement in net funds in the year			(29,894)	173,294
	Opening net funds			603,482	430,188
	Closing net funds			<u>573,588</u>	<u>603,482</u>
19	CAPITAL COMMITMENTS			2008	2007
				£	£
	Capital expenditure contracted for but not provided in the financial statements			97,635	-
	Capital expenditure authorised by the directors but not contracted			<u>165,938</u>	<u>-</u>

Directa (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 30 April 2008

20 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.

	2008 £	2007 £
Contributions payable by the company for the year	<u>29,075</u>	<u>29,722</u>

21 CONTROL

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

22 RELATED PARTY TRANSACTIONS

The company had no transactions with related parties.