

REGISTERED NUMBER: 03722366 (England and Wales)

ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2006

FOR

OKA DIRECT LIMITED

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OKA DIRECT LIMITED

**CONTENTS OF THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2006**

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors on the Abbreviated Accounts	4
Abbreviated Profit and Loss Account	5
Abbreviated Balance Sheet	6
Cash Flow Statement	7
Notes to the Cash Flow Statement	8
Notes to the Abbreviated Accounts	10

OKA DIRECT LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31ST DECEMBER 2006

DIRECTORS:

Viscountess Astor
M Cecil
A Hadden-Paton ACA
A J Hickin ACMA
S C Jones
L Waterhouse
M J Grubb
G E Frost

SECRETARY:

A J Hickin ACMA

REGISTERED OFFICE:

The Courtyard
Shoreham Road
Upper Beeding
Steyning
West Sussex
BN44 3TN

REGISTERED NUMBER:

03722366 (England and Wales)

AUDITORS:

Russell New
Registered Auditors
The Courtyard
Shoreham Road
Upper Beeding
Steyning
West Sussex
BN44 3TN

OKA DIRECT LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2006

The directors present their report with the accounts of the company for the year ended 31st December 2006

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of direct mail order, retail of furniture and accessories

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed accounts

The company continues to show significant growth in turnover, with sales increasing 47.5% against the prior year

The company opened three new outlets in 2006, in Chelsea, Fulham and Parsons Green. The previous showroom and office in Parsons Green was closed due to a compulsory purchase order.

The company acquired 75% of the share capital of Cath Collins Ltd during the year.

Despite continuing to invest in management and infrastructure to enable continued growth, the company reported Profit on Ordinary activities before taxation of £474,970 compared to £160,882 reported in 2005.

Cash inflow of £344,160 during the year was achieved, despite a significant increase in stockholding (£492,390), as well as capital expenditure and investments of £705,807.

DIVIDENDS

No dividends will be distributed for the year ended 31st December 2006

FUTURE DEVELOPMENTS

The company intends to continue to drive turnover growth through investing in new showrooms and widened marketing activities. The company will also continue to invest in the management structure of the business in order to cope with the expanded size of the business.

The company is at an advanced stage in negotiating to bring in additional equity investment to fund working capital requirements to grow the business.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st January 2006 to the date of this report.

Viscountess Astor
M Cecil
A Hadden-Paton ACA
A J Hickin ACMA
S C Jones
L Waterhouse

Other changes in directors holding office are as follows:

D B Jenkins - appointed 16th January 2006

M J Grubb - appointed 21st July 2006

G E Frost was appointed as a director after 31st December 2006 but prior to the date of this report.

D B Jenkins and Viscount Astor ceased to be directors after 31st December 2006 but prior to the date of this report.

OKA DIRECT LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2006

CASH AND RISK MANAGEMENT

Cash management

Since the year end the company has raised additional equity capital to finance the ongoing expansion of the company

Risk

A significant proportion of the goods sold by the company are imported from abroad and paid for in US Dollars. The company is therefore exposed to the risk of adverse currency movement impacting on the cost of goods sold and therefore profit. The company mitigates this risk through close monitoring of exchange rates and purchasing forward options to buy dollars at such times as the exchange rate is considered favourable.

The company recognises that there is an inherent risk in stock management and ensuring that stock held is saleable. This risk is mitigated by regular reviews of obsolescence levels and use of strategic price-led offers to clear excess stocks, as well as use of its "seconds" outlets to clear stock which has been returned due to quality issues or received in less than perfect condition.

The company operates within the consumer environment which is exposed to economic risk beyond the company's control. This risk is mitigated by regular management review of trading, re-forecasting, and management action to ensure that the company's financial targets can be met.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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 or loss of the company for that period. In preparing these 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,
- 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and 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.

AUDITORS

The auditors, Russell New, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:

Director

Date

16 July 2007

**REPORT OF THE INDEPENDENT AUDITORS TO
OKA DIRECT LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts set out on pages five to eighteen, together with the financial statements of OKA Direct Limited for the year ended 31st December 2006 prepared under Section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our 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 abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The Special Auditor's Report on Abbreviated Accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider 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.

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 have been properly prepared in accordance with that provision.

Russell New
Registered Auditors
The Courtyard
Shoreham Road
Upper Beeding
Steyning
West Sussex
BN44 3TN



Date 25/10/07

OKA DIRECT LIMITED

**ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2006**

	Notes	2006 £	2005 £
GROSS PROFIT		4,540,860	3,070,328
Administrative expenses		4,027,082	2,895,541
OPERATING PROFIT	3	513,778	174,787
Interest receivable and similar income		-	163
		513,778	174,950
Interest payable and similar charges	4	38,808	14,068
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		474,970	160,882
Tax on profit on ordinary activities	5	128,930	41,505
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		346,040	119,377

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year

The notes form part of these abbreviated accounts

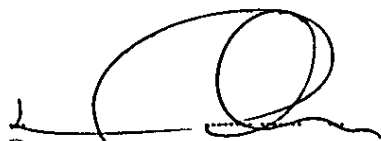
OKA DIRECT LIMITED
ABBREVIATED BALANCE SHEET
31ST DECEMBER 2006

	Notes	2006 £	2005 £
FIXED ASSETS			
Tangible assets	6	618,994	375,008
Investments	7	220,095	-
		<u>839,089</u>	<u>375,008</u>
CURRENT ASSETS			
Stocks	8	1,846,911	1,354,521
Debtors	9	760,597	600,848
Cash at bank and in hand		296,445	617
		<u>2,903,953</u>	<u>1,955,986</u>
CREDITORS			
Amounts falling due within one year	10	1,854,567	981,226
NET CURRENT ASSETS		<u>1,049,386</u>	<u>974,760</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,888,475</u>	<u>1,349,768</u>
CREDITORS			
Amounts falling due after more than one year	11	208,828	16,830
NET ASSETS		<u><u>1,679,647</u></u>	<u><u>1,332,938</u></u>
CAPITAL AND RESERVES			
Called up share capital	15	12,860	12,860
Share premium	16	1,059,300	1,059,300
Profit and loss account	16	607,487	260,778
SHAREHOLDERS' FUNDS	19	<u><u>1,679,647</u></u>	<u><u>1,332,938</u></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

The financial statements were approved by the Board of Directors on its behalf by

16 July 2007 and were signed on


 Director

The notes form part of these abbreviated accounts

OKA DIRECT LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2006

	Notes	2006 £	2005 £
Net cash inflow/(outflow) from operating activities	1	1,067,440	(163,693)
Returns on investments and servicing of finance	2	(38,808)	(13,905)
Taxation		(43,099)	(2,872)
Capital expenditure and financial investment	2	(705,807)	(250,981)
		<u>279,726</u>	<u>(431,451)</u>
Financing	2	64,434	(21,852)
Increase/(Decrease) in cash in the period		<u>344,160</u>	<u>(453,303)</u>
<hr/>			
Reconciliation of net cash flow to movement in net debt	3		
Increase/(Decrease) in cash in the period		344,160	(453,303)
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing		<u>(74,620)</u>	<u>21,256</u>
Change in net debt resulting from cash flows		269,540	(432,047)
New finance leases		-	(20,872)
Movement in net debt in the period		<u>269,540</u>	<u>(452,919)</u>
Net (debt)/funds at 1st January		<u>(69,458)</u>	<u>383,461</u>
Net funds/(debt) at 31st December		<u>200,082</u>	<u>(69,458)</u>

The notes form part of these abbreviated accounts

OKA DIRECT LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2006**

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2006	2005
	£	£
Operating profit	513,778	174,787
Depreciation charges	241,725	195,126
Profit on disposal of fixed assets	-	(2,000)
Share based expenditure	669	-
Increase in stocks	(492,390)	(522,007)
Increase in debtors	(50,496)	(218,783)
Increase in creditors	854,154	209,184
Net cash inflow/(outflow) from operating activities	<u><u>1,067,440</u></u>	<u><u>(163,693)</u></u>

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2006	2005
	£	£
Returns on investments and servicing of finance		
Interest received	-	163
Interest paid	(38,808)	(14,068)
Net cash outflow for returns on investments and servicing of finance	<u><u>(38,808)</u></u>	<u><u>(13,905)</u></u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(485,712)	(255,214)
Purchase of fixed asset investments	(220,095)	-
Sale of tangible fixed assets	-	4,233
Net cash outflow for capital expenditure and financial investment	<u><u>(705,807)</u></u>	<u><u>(250,981)</u></u>
Financing		
New loans in year	250,000	-
Loan repayments in year	(250,000)	-
Capital repayments in year	74,620	(21,256)
Amount withdrawn by directors	(10,186)	(596)
Net cash inflow/(outflow) from financing	<u><u>64,434</u></u>	<u><u>(21,852)</u></u>

The notes form part of these abbreviated accounts

OKA DIRECT LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2006**

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1 1 06 £	Cash flow £	At 31 12 06 £
Net cash			
Cash at bank and in hand	617	295,828	296,445
Bank overdraft	<u>(48,332)</u>	<u>48,332</u>	<u>-</u>
	<u>(47,715)</u>	<u>344,160</u>	<u>296,445</u>
 Debt			
Hire purchase	<u>(21,743)</u>	<u>(74,620)</u>	<u>(96,363)</u>
	<u>(21,743)</u>	<u>(74,620)</u>	<u>(96,363)</u>
 Total	<u><u>(69,458)</u></u>	<u><u>269,540</u></u>	<u><u>200,082</u></u>

The notes form part of these abbreviated accounts

OKA DIRECT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2006

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter

Short leasehold	- over the term of the lease
Plant and machinery	- at various rates
Fixtures and fittings	- 25% on cost
Motor vehicles	- straight line over 3 years
Website	- straight line over 3 years

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Cost is calculated on a weighted average method and consists of material and freight transportation expenditure

Deferred tax

Deferred taxation has not been provided in these accounts as, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future. This does not comply with FRS 19 Deferred taxation. If full provision for deferred taxation (including revaluation of property) was made in these accounts, there would be a liability at 31 December 2006 of £3,703 (2005 £10,966)

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Stock is translated at the spot rate at the year end. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

2 STAFF COSTS

	2006	2005
	£	£
Wages and salaries	2,244,868	1,453,630
Social security costs	210,266	134,479
	<u>2,455,134</u>	<u>1,588,109</u>

OKA DIRECT LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2006**

2 STAFF COSTS - continued

The average monthly number of employees during the year was as follows

	2006	2005
Directors	8	6
Administrative	4	2
Direct	82	75
	<u>94</u>	<u>83</u>

3 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2006	2005
	£	£
Hire of plant and machinery	6,211	2,282
Depreciation - owned assets	224,697	182,800
Depreciation - assets on hire purchase contracts	17,028	12,327
Profit on disposal of fixed assets	-	(2,000)
Auditors' remuneration	5,374	7,215
	<u>492,986</u>	<u>281,750</u>
Directors' emoluments	<u>492,986</u>	<u>281,750</u>

Information regarding the highest paid director is as follows

	2006	2005
	£	£
Emoluments etc	<u>107,082</u>	<u>73,750</u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

	2006	2005
	£	£
Bank interest	25,819	9,497
Other interest	12,748	1,700
Hire purchase interest	241	2,871
	<u>38,808</u>	<u>14,068</u>

5 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

	2006	2005
	£	£
Current tax		
UK corporation tax	127,339	41,505
Underprovision previous year	1,591	-
	<u>128,930</u>	<u>41,505</u>
Tax on profit on ordinary activities	<u>128,930</u>	<u>41,505</u>

UK corporation tax has been charged at 30% (2005 - 19%)

OKA DIRECT LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2006**

5 TAXATION - continued

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

	2006 £	2005 £
Profit on ordinary activities before tax	<u>474,970</u>	<u>160,882</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2005 - 19%)	142,491	30,568
Effects of		
Expenses not deductible for tax purposes	10,850	7,075
Depreciation in the year less than capital allowances	(34,167)	3,862
Effect of the marginal rate of tax	8,165	-
Underprovision in previous years	<u>1,591</u>	<u>-</u>
Current tax charge	<u><u>128,930</u></u>	<u><u>41,505</u></u>

6 TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Fixtures and fittings £
COST			
At 1st January 2006	168,518	40,742	590,014
Additions	<u>30,082</u>	<u>10,410</u>	<u>357,490</u>
At 31st December 2006	<u>198,600</u>	<u>51,152</u>	<u>947,504</u>
DEPRECIATION			
At 1st January 2006	135,319	27,639	284,036
Charge for year	<u>32,991</u>	<u>6,181</u>	<u>180,489</u>
At 31st December 2006	<u>168,310</u>	<u>33,820</u>	<u>464,525</u>
NET BOOK VALUE			
At 31st December 2006	<u>30,290</u>	<u>17,332</u>	<u>482,979</u>
At 31st December 2005	<u><u>33,199</u></u>	<u><u>13,103</u></u>	<u><u>305,978</u></u>

OKA DIRECT LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2006**

6 TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Website £	Totals £
COST			
At 1st January 2006	39,363	-	838,637
Additions	3,200	84,530	485,712
	<hr/>	<hr/>	<hr/>
At 31st December 2006	42,563	84,530	1,324,349
	<hr/>	<hr/>	<hr/>
DEPRECIATION			
At 1st January 2006	16,636	-	463,630
Charge for year	12,761	9,303	241,725
	<hr/>	<hr/>	<hr/>
At 31st December 2006	29,397	9,303	705,355
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31st December 2006	13,166	75,227	618,994
	<hr/>	<hr/>	<hr/>
At 31st December 2005	22,727	-	375,007
	<hr/>	<hr/>	<hr/>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows

	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1st January 2006	-	39,363	39,363
Additions	113,686	-	113,686
Transfer to ownership	-	(16,078)	(16,078)
	<hr/>	<hr/>	<hr/>
At 31st December 2006	113,686	23,285	136,971
	<hr/>	<hr/>	<hr/>
DEPRECIATION			
At 1st January 2006	-	16,636	16,636
Charge for year	4,800	12,228	17,028
Transfer to ownership	-	(16,078)	(16,078)
	<hr/>	<hr/>	<hr/>
At 31st December 2006	4,800	12,786	17,586
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31st December 2006	108,886	10,499	119,385
	<hr/>	<hr/>	<hr/>
At 31st December 2005	-	22,727	22,727
	<hr/>	<hr/>	<hr/>

OKA DIRECT LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2006**

7 FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
Additions	220,095
At 31st December 2006	<u>220,095</u>
NET BOOK VALUE	
At 31st December 2006	<u><u>220,095</u></u>

The company's investments at the balance sheet date in the share capital of companies include the following

Cath Collins Limited

Nature of business Retail of mail order scented products

	% holding	
Class of shares	75 00	
Ordinary £1		2006
		£
Aggregate capital and reserves		108,237
Profit for the year		<u>5,921</u>

The above profit and reserves are provisional based on draft accounts

During the year the company purchased 75% of the shares in Cath Collins Limited After the initial consideration, the balance is payable annually in 3 instalments from December 2007

RAPT Direct Limited

Nature of business Dormant

	% holding	
Class of shares	100 00	
Ordinary		30 4 07
		£
Aggregate capital and reserves		1
Profit for the year		<u>1</u>

8 STOCKS

	2006	2005
	£	£
Stocks	<u>1,846,911</u>	<u>1,354,521</u>

OKA DIRECT LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2006**

9 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006	2005
	£	£
Trade debtors	60,003	33,076
Amounts owed by group undertakings	99,067	-
Other debtors	371,840	264,603
Salary control	7,689	-
Directors' loan accounts	21,013	10,827
Prepayments	200,985	292,342
	<u>760,597</u>	<u>600,848</u>

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006	2005
	£	£
Bank loans and overdrafts (see note 12)	-	48,332
Hire purchase contracts (see note 13)	23,535	4,913
Trade creditors	1,121,446	478,944
Corporation tax	127,339	41,508
Social security and other taxes	78,435	42,949
VAT	305,306	186,513
Other creditors	74,344	-
Accrued expenses	124,162	178,067
	<u>1,854,567</u>	<u>981,226</u>

11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2006	2005
	£	£
Hire purchase contracts (see note 13)	72,828	16,830
Other creditors	136,000	-
	<u>208,828</u>	<u>16,830</u>

12 LOANS

An analysis of the maturity of loans is given below

	2006	2005
	£	£
Amounts falling due within one year or on demand		
Bank overdrafts	-	48,332
	<u>-</u>	<u>48,332</u>

OKA DIRECT LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2006**

13 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts	
	2006	2005
	£	£
Net obligations repayable		
Within one year	23,535	4,913
Between one and five years	72,828	16,830
	<u>96,363</u>	<u>21,743</u>

The following operating lease payments are committed to be paid within one year

	Land and buildings		Other operating leases	
	2006	2005	2006	2005
	£	£	£	£
Expiring				
Between one and five years	473,236	473,236	18,991	-
In more than five years	117,912	-	-	-
	<u>591,148</u>	<u>473,236</u>	<u>18,991</u>	<u>-</u>

14 SECURED DEBTS

The bank holds a debenture over the assets of the company and a limited guarantee given by Viscountess Astor

15 CALLED UP SHARE CAPITAL

Authorised

Number	Class	Nominal value	2006 £	2005 £
750,000	'A' Ordinary	£0 01	7,500	7,500
100,000	'B' Ordinary	£0 01	1,000	-
500,000	'M' Ordinary	£0 01	5,000	5,000
750,000	Ordinary	£0 01	7,500	7,500
			<u>21,000</u>	<u>20,000</u>

Allotted, issued and fully paid

Class	Nominal Value	2006		2005	
		Number	£	Number	£
'A' Ordinary	£0 01	314,000	3,140	314,000	3,140
'M' Ordinary	£0 01	324,000	3,240	324,000	3,240
Ordinary	£0 01	648,000	6,480	648,000	6,480
		<u>1,286,000</u>	<u>12,860</u>	<u>1,286,000</u>	<u>12,860</u>

During the year the authorised share capital was increased by the creation of 100,000 £0 01 'B' Ordinary shares
None were issued

OKA DIRECT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - continued FOR THE YEAR ENDED 31ST DECEMBER 2006

16 RESERVES

	Profit and loss account £	Share premium £	Totals £
At 1st January 2006	260,778	1,059,300	1,320,078
Profit for the year	346,040		346,040
Share based expenditure	669	-	669
At 31st December 2006	<u>607,487</u>	<u>1,059,300</u>	<u>1,666,787</u>

17 OTHER FINANCIAL COMMITMENTS

At the year end the company had a forward contract to buy \$975,000 at a rate of \$1.95/£1 on 15 June 2007 for £500,000

18 RELATED PARTY DISCLOSURES

During the period, no one single entity had overall control of the company

During the year Viscountess Astor gave a loan of £250,000 to the company. This was repaid in full prior to the year end

During the year the directors purchased goods from the company, at arms length value, totalling £16,491 (2005 £10,827). These amounts are still outstanding at the year end, and are included within trade debtors

In addition to the amounts above at the balance sheet date the directors owed the company £21,013 (2005 £nil)

During the year the company made sales of £277 to Cath Collins Limited, a subsidiary of the company. At the year end this amount was outstanding. A management fee of £25,618 was charged to Cath Collins Limited during the year. Other recharges of £159,312 were made to Cath Collins Limited during the year, at the year end £99,067 was outstanding. Purchases of £65,091 were made from Cath Collins Limited, this amount was outstanding at the year end

19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2006 £	2005 £
Profit for the financial year	346,040	119,377
Share based expenditure	<u>669</u>	<u>-</u>
Net addition to shareholders' funds	346,709	119,377
Opening shareholders' funds	<u>1,332,938</u>	<u>1,213,561</u>
Closing shareholders' funds	<u>1,679,647</u>	<u>1,332,938</u>

OKA DIRECT LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2006**

20 SHARE BASED PAYMENT TRANSACTIONS

The company has two option schemes as follows

	Share option scheme 1	Share option scheme 2
Date of grant	29 November 2006	29 November 2006
Number granted	32,400 B ordinary shares	6,480 B ordinary shares
Option price	£0 31	£0 31
Maximum option period	3 years	3 years
Exercise conditions	The options become exercisable in the event of a listing or sale of more than 50% of the company's issued share capital following 1 year of the commencement of employment	The options become exercisable in the event of a listing or sale of more than 50% of the company's issued share capital following 1 year of the commencement of employment

The unrestricted market value for the shares as agreed with HM Revenue and Customs is £0 34

The directors best estimate for an exit date is 2010

Since the year end share option scheme 1 has been cancelled Share option scheme 2 has lapsed due to the employee ceasing to be employed by the company