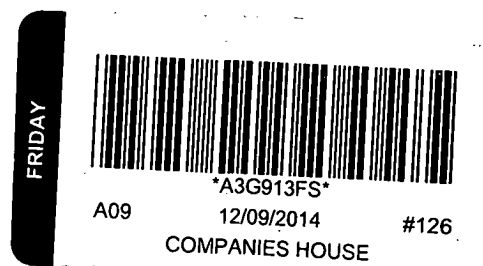


**OKA Direct Limited**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
25 January 2014



Company Registration No. 03722366

# OKA Direct Limited

## DIRECTORS AND ADVISERS

---

### DIRECTORS

Viscountess Astor  
M Christie  
A K Hadden-Paton ACA  
A J Hickin ACMA  
S C Jones  
L I Waterhouse  
H J W Ropner  
P A G Seers  
P Chappelow

### SECRETARY

A J Hickin ACMA

### REGISTERED OFFICE

170 Brook Drive  
Milton Park  
Abingdon  
Oxfordshire  
OX14 4SD

### AUDITOR

Baker Tilly UK Audit LLP  
Chartered Accountants  
25 Farringdon Street  
London  
EC4A 4AB

# OKA Direct Limited

## DIRECTOR'S REPORT

---

The directors submit their report and the financial statements of OKA Direct Limited for the year ended 25 January 2014.

### PRINCIPAL ACTIVITIES

The principal activity of the Company during the period was that of selling furniture and home furnishings through the web site, direct mail order, showrooms, trade and special projects.

### RESULTS AND DIVIDENDS

The results for the period are set out on page 6. The directors do not recommend the payment of a dividend.

### FUTURE DEVELOPMENTS

OKA are currently reviewing the business to develop a strategic plan for the growth of the Company over the next five years.

### GOING CONCERN

The financial statements have been prepared on a going concern basis. The statement headed "Going Concern" on page 10 sets out the directors' considerations in reaching their conclusion that it is appropriate to prepare the financial statements on a going concern basis.

### DIRECTORS

The Directors who have held office during the year to the date of this report are as follows:

Viscountess Astor  
M Christie  
A K Hadden-Paton ACA  
A J Hickin ACMA  
S C Jones  
L I Waterhouse  
H J W Ropner  
G E Frost (Resigned 11/10/2013)  
P A G Seers (Appointed 15/10/2013)  
P Chappelow (Appointed 27/03/2014)

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

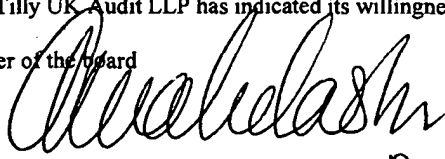
The directors have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit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

### AUDITOR

Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

By order of the board

Director  
28 August 2014



Annabel Astor

# OKA Direct Limited

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

---

The directors are responsible for preparing the Strategic Report and the Directors' 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).

Under company law the directors must not approve the financial statements unless they are satisfied that they 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 accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

# OKA Direct Limited

## STRATEGIC REPORT

---

### REVIEW OF BUSINESS

During this twelve month period, the Company returned an adjusted EBITDA ("Earnings before Interest, Tax, Depreciation and Amortisation") of £2,067,137 (2013: £1,935,385 for the same pro-forma 12 month period) and a profit before tax up 17% of £1,551,929 (2013: £1,329,050 for the same pro-forma 12 month period). Margins remain fairly consistent at over 53%.

Turnover across all channels increased by 10%, with the interior design service and trade up nearly 43%, online sales up 23%, and retail sales improved by 2.6%. Investment and frequent enhancements to the web site, (voted Sheerlux – "Best Furniture Website", plus being ranked in the Top 500 UK online retailers), alongside a successful launch of "Click and Collect" ensures that customers have a fully multi-channel experience and can engage with the Company through their preferred route. Development of the "Inspirational" catalogues has received positive results.

The Company's key financial and other performance indicators during the year were as follows:

	12 months to 25 January 2014	Pro-forma 12 months to 26 January 2013	%
Sales	£19,930,272	£18,183,543	+9.6
Margin	53.3%	53.90%	-0.6
EBITDA	2,067,137	£1,935,385	+6.8
Average Employees	158	148	+6.8

### PRINCIPAL RISKS

#### *Financial Risk*

The Company manages the risk of not being able to meet financial obligations as they fall due by monitoring cash balances and forecasts on a regular basis.

#### *Exchange Rate Risk*

Foreign Exchange rate risk that arises from overseas purchases is managed by entering into forward foreign exchange contracts with relevant financial institutions over a rolling six to twelve month period.

### MATTERS OF STRATEGIC IMPORTANCE

The Board are currently evaluating OKA's retail portfolio both in the UK and internationally, and looking at opportunities for expansion to relevant areas.

By order of the board

Director

28<sup>th</sup> August 2014



Annabel Astor

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OKA DIRECT LIMITED

We have audited the financial statements on pages 6 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor**

As more fully explained in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 25 January 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

*Baker Tilly UK Audit LLP*

PAUL NEWMAN (Senior Statutory Auditor)  
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
25 Farringdon Street  
London  
EC4A 4AB

29/02/ 2014

**OKA Direct Limited**  
**PROFIT AND LOSS ACCOUNT**  
**for the year ended 25 January 2014**

	Notes	Year ended 25 January 2014 £	13 month period ended 26 January 2013 £
TURNOVER	1	19,930,272	19,577,900
Cost of sales		(9,313,747)	(9,031,312)
GROSS PROFIT		10,616,525	10,546,588
Depreciation	(474,790)	(552,855)	
Other administrative expenses	(8,557,290)	(8,449,377)	
Total administrative expenses		(9,032,080)	(9,002,232)
Other operating income		7,902	8,287
OPERATING PROFIT	3	1,592,347	1,552,643
Interest receivable and similar income	4	-	276
Interest payable and similar charges	4	(40,418)	(95,139)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,551,929	1,457,780
Taxation	5	(366,052)	(417,803)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	13	1,185,877	1,039,977
RECONCILIATION OF ADJUSTED EBITDA			
		Year ended 25 January 2014 £	13 month period ended 26 January 2013 £
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,551,929	1,457,780
Depreciation		474,790	552,855
Interest receivable and similar income		-	(276)
Interest payable and similar charges		40,418	95,139
ADJUSTED EBITDA		2,067,137	2,105,498

**CONTINUING OPERATIONS**

None of the Company's activities were acquired or discontinued during the year or prior period.

**TOTAL RECOGNISED GAINS AND LOSSES**

The Company has no recognised gains or losses other than the profit in the current year and prior period.

# OKA Direct Limited

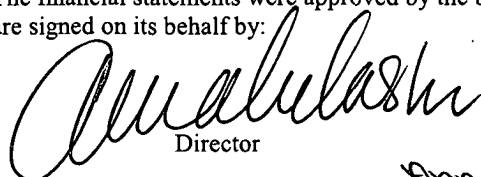
## BALANCE SHEET

25 January 2014

Company Registration No. 03722366

	Notes	25 January 2014 £	26 January 2013 £
<b>FIXED ASSETS</b>			
Tangible assets	6	1,555,355	1,535,300
<b>CURRENT ASSETS</b>			
Stocks	7	3,579,389	3,537,711
Debtors	8	1,493,950	1,790,383
Cash at bank and in hand		2,206,179	808,317
		7,279,518	6,136,411
CREDITORS: Amounts falling due within one year	9	(3,301,601)	(3,246,316)
NET CURRENT ASSETS		3,977,917	2,890,095
TOTAL ASSETS LESS CURRENT LIABILITIES		5,533,272	4,425,395
PROVISIONS FOR LIABILITIES	10	(52,000)	(130,000)
NET ASSETS		5,481,272	4,295,395
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	140,000	140,000
Share premium	12	4,932,160	4,932,160
Profit and loss account	12	409,112	(776,765)
SHAREHOLDERS' FUNDS	13	5,481,272	4,295,395

The financial statements were approved by the board of directors and authorised for issue on 28/8/2014 and are signed on its behalf by:

  
Director

Annabel Astor



**OKA Direct Limited**  
**CASH FLOW STATEMENT**  
**for the year ended 25 January 2014**

	<i>Notes</i>	Year ended 25 January 2014 £	13 month period ended 26 January 2013 £
CASH FLOW FROM OPERATING ACTIVITIES	(i)	2,085,611	1,745,257
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(ii)	(40,418)	(94,863)
TAXATION	(ii)	(139,545)	-
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	(ii)	(507,786)	(236,598)
CASH INFLOW BEFORE FINANCING		<u>1,397,862</u>	<u>1,413,796</u>
FINANCING	(ii)	-	(764,360)
INCREASE IN CASH IN THE PERIOD		<u>1,397,862</u>	<u>649,436</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS / (DEBT)			
INCREASE IN CASH IN THE PERIOD		1,397,862	649,436
Cash outflow from Directors' loans		-	750,000
Cash outflow from hire purchase financing		-	14,360
MOVEMENT IN NET FUNDS IN THE PERIOD		<u>1,397,862</u>	<u>1,413,796</u>
NET FUNDS/(DEBT) AT 26 JANUARY		<u>808,317</u>	<u>(605,479)</u>
NET FUNDS AT 25 JANUARY	(iii)	<u>2,206,179</u>	<u>808,317</u>

# OKA Direct Limited

## ACCOUNTING POLICIES

		Year ended 25 January 2014 £	13 month period ended 26 January 2013 £
(i)	RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES		
	Operating profit	1,592,347	1,552,643
	Depreciation	474,790	552,855
	Loss on disposal of tangible fixed assets	12,941	71,909
	Increase in stocks	(41,678)	(171,904)
	Decrease/(increase) in debtors	296,433	(186,862)
	(Increase)/decrease in creditors	(171,222)	14,326
	Decrease in provisions	(78,000)	(87,710)
	NET CASH INFLOW FROM OPERATING ACTIVITIES	2,085,611	1,745,257
		Year ended 25 January 2014 £	13 month period ended 26 January 2013 £
(ii)	ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT		
	RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
	Interest received	-	276
	Interest paid	(40,418)	(94,525)
	Interest element of hire purchase contracts	-	(614)
	NET CASH OUTFLOW FOR RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(40,418)	(94,863)
	TAXATION		
	Tax paid	(139,545)	-
	CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
	Purchase of tangible fixed assets	(507,786)	(236,598)
	NET CASH OUTFLOW FOR CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	(507,786)	(236,598)
	FINANCING		
	Capital element of hire purchase rental payments	-	(14,360)
	Directors' loans	-	(750,000)
	NET CASH OUTFLOW FROM FINANCING	-	(764,360)
(iii)	ANALYSIS OF CHANGES IN NET FUNDS	At 27 January 2013 £	At 25 January 2014 £
	Total cash at bank and in hand	808,317	2,206,179

# OKA Direct Limited

## ACCOUNTING POLICIES

---

### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

### GOING CONCERN

The directors are confident that the Company's trading forecasts and cash flow projections show that it has adequate financial resources to continue to operate for the foreseeable future and is financially sound. For this reason, the going concern basis is considered appropriate for the preparation of the financial statements.

### TURNOVER

Turnover represents net invoiced sales of goods, excluding value added tax and is recognised in the financial statements when goods are despatched.

### SHARE-BASED PAYMENTS

The Company has applied the requirements of FRS20 *Share-based Payments* which requires equity-settled share-based payments to be measured at fair value at the date of grant. The fair value measured by use of the Trinomial Lattice option pricing model at the grant date is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the number of shares that will eventually vest.

### PENSIONS

The Company contributes towards the personal pension plans of certain directors and senior employees. Pension costs charged to the profit and loss account represent the amounts payable in the period.

### PRE-OPENING COSTS

Pre-opening costs represent costs incurred up to the date of opening a new showroom. These costs are written off to the profit and loss account in the period in which they are incurred.

### FOREIGN CURRENCIES

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

### 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 improvements	-	over the term of the lease
Fixtures, fittings and equipment	-	at various rates between 3 and 10 years
Motor vehicles	-	straight line over 2 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 materials and freight transportation expenditure.

# OKA Direct Limited

## ACCOUNTING POLICIES

---

### PROVISIONS

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

### DILAPIDATIONS

The Company is required to perform dilapidation repairs on its leased properties, prior to the properties being vacated at the end of their lease term, or earlier if the property lease is surrendered or sub-let. Provision for such costs are made where a legal obligation is identified and the liability can be reasonably qualified. The provision is then spread over the 2 years prior to exiting the property.

### 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.

A deferred tax asset in respect of tax losses is recognised to the extent that it is regarded as more likely than not that the losses will be recoverable against suitable taxable profits in the foreseeable future.

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 substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

### LEASED ASSETS AND OBLIGATIONS

Where assets are financed by leasing agreements that give rights approximating to ownership ("hire purchase contracts" or "finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor. Lease payments are treated as consisting of capital and interest elements and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All other leases are "operating leases" and the annual rentals are charged to profit and loss on a straight line basis over the lease term.

Rent free periods or other incentives received for entering into a lease are accounted for over the period of the lease so as to spread the benefit received over the lease term or, if shorter, the period ending when prevailing market rentals will become payable.

# OKA Direct Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 25 January 2014

### 1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The Company's turnover and profit before taxation were all derived from its principal activity. Sales were made solely in the United Kingdom.

### 2 STAFF COSTS

	Year ended 25 January 2014 £	13 month period ended 26 January 2013 £
Wages and salaries	3,711,481	3,692,187
Social security costs	343,184	318,530
Pension costs	26,257	29,189
	<u>4,080,922</u>	<u>4,039,906</u>

The average monthly number of employees during the period was as follows:

	2014 No.	2013 No.
Directors	8	8
Administrative	75	65
Shops	75	75
	<u>158</u>	<u>148</u>

### DIRECTORS

	Year ended 25 January 2014 £	13 month period ended 26 January 2013 £
Emoluments	512,704	692,538
Contributions to money purchase pension schemes	9,672	10,469
	<u>522,376</u>	<u>703,007</u>

The number of directors to whom retirement benefits are accruing under money purchase pension schemes was 4 (2013: 4).

Directors' emoluments disclosed above included emoluments in respect of the highest paid director as follows:

	Year ended 25 January 2014 £	13 month period ended 26 January 2013 £
Emoluments	<u>130,000</u>	<u>215,833</u>

**OKA Direct Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 25 January 2014**

3	OPERATING PROFIT	Year ended 25 January 2014 £	13 month period ended 26 January 2013 £
	The operating profit is stated after charging:		
	Operating lease rentals:		
	Land and buildings	1,844,326	2,069,404
	Other	39,741	18,996
	Depreciation – owned assets	462,289	531,291
	Depreciation – assets on hire purchase contracts	12,501	21,564
	Auditor's remuneration for statutory audit	33,500	32,500
	Auditor's remuneration for non-audit services:		
	Tax compliance	8,500	8,500
	Company secretarial	1,750	1,393
	Other services	2,250	2,607
	Loss on disposal of tangible fixed assets	12,940	71,909
		<u>          </u>	<u>          </u>
4	INTEREST RECEIVABLE, PAYABLE AND SIMILAR CHARGES	Year ended 25 January 2014 £	13 month period ended 26 January 2013 £
	Bank interest receivable	-	(276)
		<u>          </u>	<u>          </u>
	Bank interest payable	40,418	46,584
	Hire purchase interest payable	-	614
	Other interest payable	-	47,941
		<u>          </u>	<u>          </u>
		40,418	95,139
		<u>          </u>	<u>          </u>
5	TAXATION	Year ended 25 January 2014 £	13 month period ended 26 January 2013 £
	Tax on profit on ordinary activities for the period was as follows:		
	Current tax:		
	UK corporation tax	366,052	139,545
	Total current tax	<u>366,052</u>	<u>139,545</u>
	Deferred taxation:		
	Origination and reversal of timing differences	-	255,998
	Effect of tax change on opening balance	-	22,260
	Total deferred taxation charge	<u>-</u>	<u>278,258</u>
	Tax on profit on ordinary activities	<u>366,052</u>	<u>417,803</u>

**OKA Direct Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 25 January 2014**

---

5 TAXATION (continued)

	Year ended 25 January 2014 £	13 month period ended 26 January 2013 £
Factors affecting the tax charge for the period:		
The tax assessed for the period is higher than the effective rate of corporation tax in the UK of 23% (2013: 24%). The differences are explained below:		
Profit on ordinary activities before tax	1,551,929	1,457,780
Profit on ordinary activities multiplied by the effective rate of corporation tax in the UK of 23.16% (2013: 24.46%)	359,427	356,550
Effects of:		
Fixed asset differences	29,081	39,214
Expenses not deductible for tax purposes	1,987	1,548
Income not taxable for tax purposes	-	(8,560)
Tax credits	-	(459)
Marginal relief	-	(11,482)
Depreciation being different to capital allowances	(18,964)	32,835
Other timing differences	(5,479)	(134)
Tax losses utilised	-	(269,967)
Current tax for the period	366,052	139,545

**OKA Direct Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 25 January 2014**

**6 TANGIBLE FIXED ASSETS**

	Short leasehold improvements £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
<b>Cost</b>				
27 January 2013	332,511	2,248,037	7,701	2,588,249
Additions	39,919	467,867	-	507,786
Disposals	(6,370)	(39,324)	-	(45,694)
25 January 2014	366,060	2,676,580	7,701	3,050,341
<b>Depreciation</b>				
27 January 2013	111,335	939,312	2,302	1,052,949
Charge for the period	41,971	428,968	3,851	474,790
Disposals	(6,370)	(26,383)	-	(32,753)
25 January 2014	146,936	1,341,897	6,153	1,494,986
<b>Net book value</b>				
25 January 2014	219,124	1,334,683	1,548	1,555,355
26 January 2013	221,176	1,308,725	5,399	1,535,300

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

	Fixtures, fittings and equipment £
<b>Cost</b>	
27 January 2013	229,397
Disposals	-
25 January 2014	229,397
<b>Depreciation</b>	
27 January 2013	141,973
Charge for the period	12,501
Disposals	-
25 January 2014	154,474
<b>Net book value</b>	
26 January 2014	74,923
26 January 2013	87,424



**OKA Direct Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 25 January 2014**

---

7	STOCKS	Year ended 25 January 2014 £	Period ended 26 January 2013 £
	Finished goods	3,579,389	3,537,711
		<u>          </u>	<u>          </u>
8	DEBTORS: Due within one year	Year ended 25 January 2014 £	Period ended 26 January 2013 £
	Trade debtors	23,821	25,320
	Other debtors	941,312	1,161,715
	Prepayments and accrued income	528,817	603,348
		<u>1,493,950</u>	<u>1,790,383</u>
		<u>          </u>	<u>          </u>
9	CREDITORS: Amounts falling due within one year	Year ended 25 January 2014 £	Period ended 26 January 2013 £
	Corporation tax	366,052	139,545
	Trade creditors	775,321	599,180
	Other taxation and social security	669,828	756,365
	Accruals and deferred income	1,490,400	1,751,226
		<u>3,301,601</u>	<u>3,246,316</u>
		<u>          </u>	<u>          </u>
10	PROVISIONS FOR LIABILITIES	Year ended 25 January 2014 £	Period ended 26 January 2013 £
	Dilapidations	52,000	130,000
		<u>          </u>	<u>          </u>
	Provision at 27 January 2013	130,000	217,710
	Released during the period	(78,000)	(91,027)
	Charge to the profit and loss account	-	3,317
		<u>52,000</u>	<u>130,000</u>
	Provision at 25 January 2014	<u>          </u>	<u>          </u>

**OKA Direct Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 25 January 2014**

11	SHARE CAPITAL		Year ended 25 January 2014 £	Period ended 26 January 2013 £
	Allotted, issued and fully paid: 13,999,976 ordinary shares of £0.01 each		140,000	140,000
	Share options			Number of shares for which rights are exercisable at 25.1.14
	Scheme	Grant Date	Subscription price per share	Period within which options are exercisable
	EMI Scheme	7 May 2008	28 pence	23.07.10 to 23.07.17
	Unapproved Scheme	7 May 2008	28 pence	23.07.10 to 23.07.17
	EMI Scheme	4 April 2013	100 pence	04.04.16 to 03.04.23
		5 May 2013	70 pence	05.05.14 to 04.05.23
	No share option charge has been recognised in respect of options granted during the year on the basis of materiality.			
12	RESERVES		Profit and loss account £	Share premium £
	27 January 2013		(776,765)	4,932,160
	Profit for the year		1,185,877	-
	25 January 2014		409,112	4,932,160
13	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS		Year ended 25 January 2014 £	Period ended 26 January 2013 £
	Profit for the financial year		1,185,877	1,039,977
	Opening shareholders' funds		4,295,395	3,255,418
	Closing shareholders' funds		5,481,272	4,295,395

# OKA Direct Limited

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 25 January 2014

---

#### 14 OPERATING LEASES

The Company was committed to making the following payments during the next year under non-cancellable operating leases expiring as follows:

	Land and buildings		Other operating leases	
	Year ended	Period ended	Year ended	Period ended
	25 January	26 January	25 January	26 January
	2014	2013	2014	2013
	£	£	£	£
Within one year	-	-	33,253	34,732
Between two and five years	411,250	186,250	13,751	30,200
In more than five years	1,741,294	1,842,714	-	-
	<u>2,152,544</u>	<u>2,028,964</u>	<u>47,004</u>	<u>64,932</u>

#### 15 FINANCIAL INSTRUMENTS

The Company conducts business in various countries and is therefore exposed to the effects of changes in foreign currency exchange rates. During the year the Company hedged its exposure to large fluctuations in the US dollar to sterling exchange rate through hedging contracts provided by its bankers. Currency risks relating to operating activities are systematically monitored and analysed in order to mitigate the impact of currency exchange rate fluctuations. The scope of hedging for foreign currency risks relating to forecast transactions is subject to regular review through observing underlying market risks.