Omega North East Limited

formerly Virdev Europe Limited

Report and Financial Statements

31 March 2006

Registered No: 3296387

Director
C S Thompson
G S Styles (appointed 19 June 2006)
D Crone (appointed 19 June 2006)

Secretary
A J P Borrell

Bankers
Lloyds TSB Bank plc
P O Box 1SL
102 Grey Street
Newcastle upon Tyne
NE99 1SL

Solicitors
Ward Hadaway
Sandgate House
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NE1 3DX

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Gateshead
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NE11 0EG

Registered No: 3296387

The director presents his report and financial statements for the year ended 31 March 2006.

Results and dividends

The loss for the year after taxation amounted to £172 (2005: loss £44,192). The director does not recommend a final ordinary dividend.

Principal activity and review of the business

The company's principal activity continued to be the design and manufacture of industrial products (including tools and moulded plastic parts). Due to a significant down-turn during the year the company did not win any orders until the last quarter. However in the final quarter, following the re-branding, re-naming and re-launching of the company, along with new investment in plant and equipment, work began on new orders.

The company name was changed from Virdev Europe Limited to Omega North East Limited on 28 March 2006.

Directors and their interests

The director during the year and at 31 March 2006, and his interests in the share capital of the company, was as follows:

	At 31 March 2006 Ordinary shares	*At 31 March 2005 Ordinary shares*
C S Thompson	-	-

In addition GS Styles and D Crone were appointed directors on 19th June 2006

The interests of the director in the ultimate parent company, Yogo Investments Limited, was as follows:

	At 31 March 2006 Ordinary shares	*At 31 March 2005 Ordinary shares*
C S Thompson	63.67%	45.31%

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Small company exemptions

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

Exemption from audit

The directors have taken advantage of the exemption from the requirement to have the financial statements for the year ended 31 March 2006 audited. They confirm that for the year ended 31 March 2006 the company was entitled to the exemption conferred by subsection 1 of Section 249A of the Companies Act 1985 for the period then ended and that no notice from members requiring an audit has been deposited under subsection 2 of Section 249B of the Companies Act 1985.

By order of the board

AJP Borrell

A J P Borrell
Secretary

30 June 2006

Statement of directors' responsibilities in respect of the financial statements

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- 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.

Profit and loss account

for the year ended 31 March 2006

	Notes	2006 £	2005 £
Turnover	3	26,016	245,998
Cost of sales		19,295	167,607
Gross profit		6,721	78,391
Administrative expenses		6,893	112,725
Distribution costs		-	9,858
		6,893	122,583
Operating loss	4	(172)	(44,192)
Interest payable and similar charges	7	-	-
Loss on ordinary activities before taxation		(172)	(44,192)
Tax on loss on ordinary activities	8	-	-
Loss for the year	12	(£172)	£(44,192)

Statement of total recognised gains and losses

There are no recognised gains or losses other than the loss of the company of £172 in the year ended 31 March 2006 and the loss of £44,192 in the year ended 31 March 2005.

Balance sheet

at 31 March 2006

	Notes	2006 £	2005 £
Fixed assets			
Tangible assets	9	20,400	22,507
Current assets			
Debtors	10	37,473	21,445
Cash at bank and in hand		-	24
		37,473	21,469
Creditors: amounts falling due within one year	11	464,156	427,580
Net current liabilities		426,683	(406,111)
Total assets less current liabilities		(406,283)	£(406,111)
Capital and reserves			
Called up share capital	12	300,000	300,000
Profit and loss account	13	(706,283)	(706,111)
Equity shareholders' funds	13	(406,283)	£(406,111)

The directors have taken advantage of the exemption from the requirement to have the financial statements for the year ended 31 March 2006 audited. They confirm that for the year ended 31 March 2006 the company was entitled to the exemption conferred by subsection 1 of Section 249A of the Companies Act 1985 for the year then ended and that no notice from members requiring an audit has been deposited under subsection 2 of Section 249B of the Companies Act 1985.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and for preparing financial statements which give a true and fair view of the state of the company's affairs at 31 March 2006 and its result for the year then ended in accordance with the requirements of Section 226 of that Act, and which otherwise comply with the Act relating to financial statements, so far as applicable to the company.

C S Thompson
Director

30 June 2006

Notes to the financial statements

at 31 March 2006

1. Fundamental accounting concept

The accounts have been prepared on the going concern basis on the grounds that the directors are comfortable that the company can meet its liabilities as they fall due. Almost all of the company's liabilities are loans from its parent company and its directors. On 19 June 2006 the loan from its parent company was converted into share capital, thereby rendering the Balance Sheet positive.

2. Accounting policies

Accounting convention

The financial statements are prepared under the historical cost convention.

Stocks

Stocks are stated at the lower of cost incurred in bringing each product to its present location and condition and net realisable value as follows:

Raw materials and goods for resale	-	purchase cost on a first-in, first-out basis.
Work in progress and finished goods	-	cost of direct materials and labour plus attributable overheads based on a normal level of activity.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

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 have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more tax, with the following exceptions:

(i) Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

(ii) Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Notes to the financial statements

at 31 March 2006

3. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties.

The turnover and pre-tax loss was attributable to one activity, the design and manufacture of industrial products (including tools and moulded plastic parts). An analysis of turnover by geographical market is given below:

	2006	*2005*
	£	*£*
United Kingdom	11,629	243,753
United States of America	-	2,245
Argentina	14,386	-
	£26,015	£245,998

4. Operating loss

This is stated after charging

	2006	*2005*
	£	*£*
Depreciation of owned fixed assets	-	-

5. Directors' emoluments

No directors' emoluments were paid in the year (2005: £nil).

6. Staff costs

	2006	*2005*
	£	*£*
Wages and salaries	-	105,273
Social security costs	-	9,712
Other pension costs	-	2,302
	£ -	£117,287

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

	2006	*2005*
	No.	*No.*
Administration	-	1
Manufacturing	-	3
	-	4

Notes to the financial statements

at 31 March 2006

7. Interest payable and similar charges

	2006	*2005*
	£	*£*
Bank loans and overdrafts	-	-
	£ -	£ -

8. Tax on loss on ordinary activities

(a) Tax on loss on ordinary activities

The company continues to create taxable losses and as such there is no charge in the year.

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2005: 30%). The differences are reconciled below:

	2006	*2005*
	£	*£*
Loss on ordinary activities before tax	(172)	(44,192)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2005: 30%)	(33)	(13,257)
Disallowed items	-	417
Accelerated capital allowances	-	(209)
Loss for the year not recognised	33	13,049
Total current tax (note 8(a))	£ -	£ -

(c) Factors that may affect future tax changes

The company has tax losses, which may reduce tax payments in future years.

Notes to the financial statements

at 31 March 2006

9. Tangible fixed assets

	Plant and equipment	*Total*
	£	*£*
Cost:		
At 1 April 2005	-	-
Additions	20,400	20,400
Disposals	-	-
At 31 March 2006	20,400	20,400
Depreciation:		
At 1 April 2005	-	-
Provided during the year	-	-
Disposals	-	-
At 31 March 2006	-	-
Net book value:		
At 31 March 2006	£20,400	£20,400
At 31 March 2005	£ -	£ -

10. Debtors

	2006	*2005*
	£	*£*
Trade debtors	26,015	970
Prepayments and accrued income	5,207	18
Other debtors	6,251	20,457
	£37,473	£21,445

Notes to the financial statements
at 31 March 2006

11. Creditors: amounts falling due within one year

	2005	*2005*
	£	*£*
Bank overdraft	-	418,786
Trade creditors	3,513	-
Loans from parent undertaking	406,116	-
Other taxes and social security costs	-	8,503
Other creditors	51,569	-
Accruals	2,958	291
	£464,156	£427,580

The loan from the parent undertaking was capitalised into ordinary shares on 19th June 2006.

12. Share capital

		Authorised		*Allotted called up and fully paid*
	2006	*2005*	*2006*	*2005*
	No.	*No.*	*£*	*£*
Ordinary shares of £1 each	300,000	300,000	£300,000	£300,000

13. Reconciliation of shareholders' funds and movements on reserves

	Share capital	*Profit and loss account*	*Total shareholders funds*
	£	*£*	*£*
At 31 March 2004	300,000	(661,919)	(361,919)
Loss for the year	-	(44,192)	(44,192)
At 31 March 2005	300,000	(706,111)	(406,111)
Loss for the year	-	(172)	(172)
At 31 March 2006	£300,000	(£707,283)	(£406,283)

14. Capital commitments

There were no capital commitments at 31 March 2006 (2005 £nil).

Notes to the financial statements

at 31 March 2006

15. Contingent liabilities

There were no contingent liabilities at 31 March 2006 (2005 £nil)

16. Other financial commitments

At 31 March 2006 the company had annual commitments under non-cancellable operating leases as set out below:

	Other 2006 £	*Other 2005 £*
Operating leases which expire:		
within one year	-	3,349
within two to five years	-	-
	£-	£3,349

17. Post balance sheet events

On 19 June 2006 the loan from the parent undertaking was converted to ordinary shares.

18. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Express Holdings (Thompson) Limited. The ultimate parent undertaking is Yogo Investments Limited.

In the director's opinion the controlling party at 31 March 2006 was Mr C S Thompson by virtue of his shareholding in Yogo Investments Limited.