

MONOMARKET LIMITED

STATEMENT OF ACCOUNTS

FOR THE YEAR ENDED

30TH NOVEMBER 1997



STEPHENSON ARMSTRONG & CO.,
CHARTERED ACCOUNTANTS,
70 JESMOND ROAD WEST,
NEWCASTLE UPON TYNE.
NE2 4QD

MONOMARKET LIMITED
TRADING AS
NEW BRIDGE STREET BEDDING CENTRE

COMPANY INFORMATION

Directors:

G.I. Gale Esq.
Mrs. G.E. Gale

Secretary:

Mrs. G.E. Gale

Registered Office:

160-170 New Bridge Street,
Newcastle upon Tyne.
NE1 2TE

Registered Number:

2028310

Auditors:

Stephenson Armstrong & Co.,
Chartered Accountants,
70 Jesmond Road West,
Newcastle upon Tyne.
NE2 4QD

AUDITORS' REPORT
TO THE DIRECTORS OF MONOMARKET LIMITED
PURSUANT TO SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 6 to 11 together with the full accounts of Monomarket Limited for the year ended 30th November 1997. The scope of our work for the purposes of this report was limited to confirming that the company is entitled to the exemptions claimed in the directors' statement on page 6 and that the abbreviated accounts have been properly prepared from the full accounts.

In our opinion the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemption conferred by Section A of Part III of Schedule 8 to that Act in respect of the year ended 30th November 1997, and the abbreviated accounts have been properly prepared from the full accounts.

On 24th September 1998 we reported as auditors of Monomarket Limited to the shareholders on the full financial statements required by section 226 of the Companies Act 1985 for the year ended 30th November 1997, and our audit report was as follows:

"We have audited the financial statements on pages 5 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 2 the Company's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards 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 of the state of the Company's affairs at 30th November 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985."

70 Jesmond Road West,
Newcastle upon Tyne.
NE2 4QD

24th September 1998


STEPHENSON ARMSTRONG & CO.

Chartered Accountants
and Registered Auditors

MONOMARKET LIMITED
TRADING AS
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BALANCE SHEET AS AT
30TH NOVEMBER 1997

	<u>Note</u>	<u>£</u>	<u>1997</u> <u>£</u>	<u>1996</u> <u>£</u>
FIXED ASSETS				
Tangible Assets	8		492,277	529,474
CURRENT ASSETS				
Stocks	9	321,648		319,691
Debtors	10	92,073		75,739
Cash in Hand		<u>55,375</u>		<u>31,585</u>
		469,096		427,015
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR				
Trade Creditors		294,590		217,753
Other Creditors	11	154,457		134,668
Bank Overdraft	12	<u>104,358</u>		<u>158,614</u>
		<u>553,405</u>		<u>511,035</u>
NET CURRENT LIABILITIES			(84,309)	(84,020)
			<u>407,968</u>	<u>445,454</u>
DEFERRED ASSET				
Advance Corporation Tax	15		<u>20,368</u>	<u>12,868</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			428,336	458,322
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	13		<u>179,347</u>	<u>210,801</u>
TOTAL ASSETS LESS TOTAL LIABILITIES			<u>£248,989</u>	<u>£247,521</u>
CAPITAL AND RESERVES				
Called up Share Capital	14		10,000	10,000
Profit and Loss Account			<u>238,989</u>	<u>237,521</u>
SHAREHOLDERS' FUNDS	16		<u>£248,989</u>	<u>£247,521</u>

The financial statements have been prepared in accordance with the special provisions of Part 7 of the Companies Act 1985 applicable to Small Companies.

Approved by the Board of Directors

..... G.I. GALE

..... G.E. GALE

24th September 1998

The Notes on pages 7 to 11 form part of these accounts.

MONOMARKET LIMITED
TRADING AS
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NOTES TO THE ACCOUNTS

YEAR ENDED 30TH NOVEMBER 1997

1. Accounting Policies

(a) Convention

The Accounts have been prepared in accordance with the historical cost convention. The principal accounting policies which the Directors have adopted within that convention are set out below.

(b) Depreciation

Depreciation is provided in order to write off the cost of fixed assets over their anticipated useful lives at the following rates on a reducing balance basis:-

Fixtures and Fittings	15% per annum
Motor Vehicles	25% per annum

(c) Property

The freehold property has an estimated useful life of 75 years and has been depreciated in accordance with SSAP 12.

(d) Stocks

Stocks are stated at the lower of cost and net realisable value. In establishing cost, stocks at the end of the year are taken to represent latest purchases.

(e) Taxation

The charge for taxation is based on the profit for the year at the Small Companies Corporation Tax rate of 24%.

(f) Pensions

The Company operates a defined contributions pensions scheme. Contributions payable for the year are charged in the Profit and Loss Account.

2. Analysis of Turnover

Turnover analysed by geographical market:

	<u>1997</u>	<u>1996</u>
The entire turnover relates to sales in the United Kingdom	£3,122,494	£2,792,788

MONOMARKET LIMITED
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NOTES TO THE ACCOUNTS

YEAR ENDED 30TH NOVEMBER 1997

(Continued)

3. Operating Profit

Operating Profit is arrived at after charging:	<u>1997</u>	<u>1996</u>
	£	£
Depreciation	25,131	35,484
Profit on disposal of assets	-	(7,694)
Auditors' remuneration	5,905	4,738
Prior year adjustment - Depreciation	<u>(17,500)</u>	<u>-</u>

4. Interest payable

	<u>1997</u>	<u>1996</u>
Bank Interest and Charges	13,377	9,144
Credit Card Charges	17,337	15,393
Hire Purchase Charges	3,870	1,612
Mortgage Interest	16,969	17,132
Bank Loan Interest	1,458	2,991
Finance Company Charges	<u>15,879</u>	<u>24,354</u>
	<u>£68,890</u>	<u>£70,626</u>

5. Employees

Average number of people (including Executive Directors)
employed by the Company during the year:

Sales and Distribution	28	28
Administration	<u>1</u>	<u>1</u>
	29	29
	—	—

Costs in respect of these employees:

Directors' Management Remuneration	116,000	68,667
Staff Wages and Salaries	302,332	287,529
Social Security Costs	40,981	33,322
Directors' Pension Scheme Costs	<u>7,099</u>	<u>7,349</u>
	<u>£466,412</u>	<u>£396,867</u>

6. Tax on Profit on Ordinary Activities

Charge for taxation based on the profit for the year:

Corporation Tax	21,600	11,000
Underprovision in previous year	13,159	-
Interest on Corporation Tax	91	85
Interest on Advance Corporation Tax	<u>106</u>	<u>447</u>
	<u>£34,956</u>	<u>£11,532</u>

MONOMARKET LIMITED
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NOTES TO THE ACCOUNTS

YEAR ENDED 30TH NOVEMBER 1997

(Continued)

7.	Dividend			<u>1997</u>	<u>1996</u>
	An interim dividend of £3.00 per share was paid on 1st July 1997				
	(1996 - Nil)			30,000	-
	A final dividend of £4.00 per share was paid on 30th November 1997				
	(1996 - £4.00)			<u>40,000</u>	<u>40,000</u>
				<u>£70,000</u>	<u>£40,000</u>
8.	Tangible Assets				
		Freehold <u>Property</u>	Motor <u>Vehicles</u>	Fixtures and <u>Fittings</u>	<u>Total</u>
		£	£	£	£
	Cost or Valuation				
	At 1st December 1996	447,111	130,520	47,251	624,882
	Prior year adjustment	-	(40,000)	-	(40,000)
	Additions during the year	-	9,200	1,234	10,434
	Disposals during the year	-	-	-	-
	At 30th November 1997	447,111	99,720	48,485	595,316
	Depreciation				
	At 1st December 1996	20,000	51,345	24,063	95,408
	Prior year adjustment	-	(17,500)	-	(17,500)
	Charge for the year	5,000	16,468	3,663	25,131
	Disposals	-	-	-	-
	At 30th November 1997	25,000	50,313	27,726	103,039
	Net Book Values				
	At 30th November 1997	422,111	49,407	20,759	492,277
	At 30th November 1996	427,111	79,175	23,188	529,474
9.	Stocks			<u>1997</u>	<u>1996</u>
	Goods for resale			£321,648	£319,691
10.	Debtors				
	Trade Debtors			60,768	43,690
	Hire Purchase Interest Account			8,162	11,162
	Prepaid Expenses			14,028	11,787
	Loan Account - Mr. Mattress Limited			<u>9,115</u>	<u>9,100</u>
				<u>£92,073</u>	<u>£75,739</u>

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NOTES TO THE ACCOUNTS

YEAR ENDED 30TH NOVEMBER 1997
(Continued)

	<u>1997</u>	<u>1996</u>
11 Other Creditors		
Advance Corporation Tax	10,000	10,000
Corporation Tax	25,925	11,327
Other Taxes and Social Security	31,166	14,256
Hire Purchase Company	17,689	20,478
Accrued Charges	13,003	10,378
Directors' Loan Accounts	18,965	19,391
National Mortgage Bank Loan - Current Instalments	31,476	29,820
Lloyds Bank Loan - Current Instalments	<u>6,233</u>	<u>19,018</u>
	<u>£154,457</u>	<u>£134,668</u>
12. Bank Borrowing		
Lloyds Bank Plc. Hold a debenture over the Company's assets and a second charge over 160, 162 and 164-170 New Bridge Street, Newcastle upon Tyne.		
13. Creditors falling due after one year		
Hire Purchase Company	27,777	38,984
National Mortgage Bank Loan	151,570	167,040
Lloyds Bank Loan	<u>-</u>	<u>4,777</u>
	<u>£179,347</u>	<u>£210,801</u>

The loan from National Mortgage Bank is secured by a first charge on 162 and 164-170 New Bridge Street, Newcastle upon Tyne.

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NOTES TO THE ACCOUNTS

YEAR ENDED 30TH NOVEMBER 1997

(Continued)

	<u>1997</u>	<u>1996</u>
14. Called up Share Capital		
Authorised and Issued		
10,000 Ordinary Shares of £1 each	£10,000	£10,000
15. Deferred Asset		
Advance Corporation Tax in respect of dividends	17,500	10,000
Corporation Tax paid on overdrawn Directors' Loan Account	<u>2,868</u>	<u>2,868</u>
	£20,368	£12,868
16. Movement of Shareholders' Funds		
Profit for the year	71,468	70,489
Less: Dividends	<u>70,000</u>	<u>40,000</u>
	1,468	30,489
Opening Shareholders' Funds	<u>247,521</u>	<u>217,032</u>
Closing Shareholders' Funds	£248,989	£247,521