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MONOMARKET LIMITED

STATEMENT OF ACCOUNTS

FOR THE YEAR ENDED

30TH NOVEMBER 1998

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 1998. 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 1998, and the abbreviated accounts have been properly prepared from the full accounts.

On 26th August 1999 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.

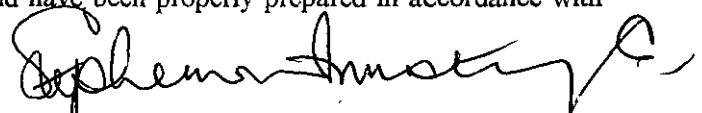
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 1998 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

26th August 1999



STEPHENSON ARMSTRONG & CO.

Chartered Accountants
and Registered Auditors

MONOMARKET LIMITED
TRADING AS
NEW BRIDGE STREET BEDDING CENTRE

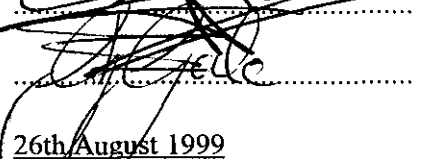
BALANCE SHEET AS AT
30TH NOVEMBER 1998

	<u>Note</u>	<u>£</u>	<u>1998</u> <u>£</u>	<u>1997</u> <u>£</u>
FIXED ASSETS				
Tangible Assets	8		746,777	492,277
CURRENT ASSETS				
Stocks	9	343,505		321,648
Debtors	10	101,797		92,073
Cash in Hand		<u>44,331</u>		<u>55,375</u>
		489,633		469,096
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR				
Trade Creditors		232,274		294,590
Other Creditors	11	188,356		154,457
Bank Overdraft	13	<u>186,263</u>		<u>104,358</u>
		606,893		553,405
NET CURRENT LIABILITIES			(117,260)	(84,309)
			<u>629,517</u>	<u>407,968</u>
DEFERRED ASSET				
Advance Corporation Tax	15		<u>22,500</u>	<u>20,368</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			652,017	428,336
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR				
	12		<u>372,112</u>	<u>179,347</u>
TOTAL ASSETS LESS TOTAL LIABILITIES			£279,905	£248,989
CAPITAL AND RESERVES				
Called up Share Capital	14		10,000	10,000
Profit and Loss Account			<u>269,905</u>	<u>238,989</u>
SHAREHOLDERS' FUNDS	16		£279,905	£248,989

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

26th August 1999

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 1998

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 21%.

(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>1998</u>	<u>1997</u>
The entire turnover relates to sales in the United Kingdom	£3,406,922	£3,122,494

MONOMARKET LIMITED
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NOTES TO THE ACCOUNTS

YEAR ENDED 30TH NOVEMBER 1998
(Continued)

3. Operating Profit

Operating Profit is arrived at after charging:	<u>1998</u>	<u>1997</u>
	£	£
Depreciation	37,904	25,131
Profit on disposal of assets	(1,719)	-
Auditors' remuneration	5,992	5,905
Prior year adjustment - Depreciation	<u>-</u>	<u>(17,500)</u>

4. Interest payable

	<u>1998</u>	<u>1997</u>
Bank Interest and Charges	12,586	13,377
Credit Card Charges	17,991	17,337
Hire Purchase Charges	5,098	3,870
Mortgage Interest	15,189	16,969
Bank Loan Interest	7,732	1,458
Finance Company Charges	<u>25,246</u>	<u>15,879</u>
	<u>£83,842</u>	<u>£68,890</u>

5. Employees

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

Sales and Distribution	27	28
Administration	<u>1</u>	<u>1</u>
	28	29
	=	=

Costs in respect of these employees:

Directors' Management Remuneration	78,000	116,000
Staff Wages and Salaries	357,799	302,332
Social Security Costs	39,922	40,981
Directors' Pension Scheme Costs	<u>13,022</u>	<u>7,099</u>
	<u>£488,743</u>	<u>£466,412</u>

6. Tax on Profit on Ordinary Activities

Charge for taxation based on the profit for the year:

Corporation Tax	34,187	21,600
Underprovision in previous year	-	13,159
Interest on Corporation Tax	1,573	91
Interest on Advance Corporation Tax	<u>(198)</u>	<u>106</u>
	<u>£35,562</u>	<u>£34,956</u>

MONOMARKET LIMITED
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NOTES TO THE ACCOUNTS

YEAR ENDED 30TH NOVEMBER 1998

(Continued)

7.	Dividend	<u>1998</u>	<u>1997</u>
	Interim dividend of £NIL per share (1997 - £3.00)	-	30,000
	Final dividend of £9.00 per share (1997 - £4.00)	<u>90,000</u>	<u>40,000</u>
		<u>£90,000</u>	<u>£70,000</u>

8. Tangible Assets

	<u>Freehold Property £</u>	<u>Freehold Property Improvements £</u>	<u>Motor Vehicles £</u>	<u>Fixtures and Fittings £</u>	<u>Total £</u>
Cost or Valuation					
At 1st December 1997	447,111	-	99,720	48,485	595,316
Additions during the year	229,112	9,350	68,090	1,883	308,435
Disposals during the year	-	-	(28,500)	-	(28,500)
At 30th November 1998	676,223	9,350	139,310	50,368	875,251
Depreciation					
At 1st December 1997	25,000	-	50,313	27,726	103,039
Charge for the year	9,017	125	25,366	3,396	37,904
Disposals	-	-	(12,469)	-	(12,469)
At 30th November 1998	34,017	125	63,210	31,122	128,474
Net Book Values					
At 30th November 1998	642,206	9,225	76,100	19,246	746,777
At 30th November 1997	£422,111	-	49,407	20,759	492,277

		<u>1998</u>	<u>1997</u>
9.	Stocks		
	Goods for resale	£343,505	£321,648
10.	Debtors		
	Trade Debtors	64,151	60,768
	Hire Purchase Interest Account	15,445	8,162
	Prepaid Expenses	13,071	14,028
	Loan Account - Mr. Mattress Limited	<u>9,130</u>	<u>9,115</u>
		<u>£101,797</u>	<u>£92,073</u>

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NOTES TO THE ACCOUNTS

YEAR ENDED 30TH NOVEMBER 1998
(Continued)

	<u>1998</u>	<u>1997</u>
11. Other Creditors		
Advance Corporation Tax	22,500	10,000
Corporation Tax	34,187	25,925
Other Taxes and Social Security	11,154	31,166
Hire Purchase Company	25,695	17,689
Accrued Charges	9,943	13,003
Directors' Loan Accounts	30,877	18,965
National Mortgage Bank Loan -		
Current Instalments	-	31,476
Lloyds Bank Loan - Current Instalments	<u>54,000</u>	<u>6,233</u>
	<u>£188,356</u>	<u>£154,457</u>

12. Creditors falling due after one year		
Hire Purchase Company	54,881	27,777
National Mortgage Bank Loan	-	151,570
Lloyds Bank Loan	<u>317,231</u>	<u>-</u>
	<u>£372,112</u>	<u>£179,347</u>

13. Bank Borrowing

Lloyds Bank Plc., hold a debenture over the Company's assets and a charge over 160, 162, 164-170 New Bridge Street, Newcastle upon Tyne and 182/190 Northgate, Darlington.

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NOTES TO THE ACCOUNTS

YEAR ENDED 30TH NOVEMBER 1998
(Continued)

	<u>1998</u>	<u>1997</u>
14. Called up Share Capital		
Authorised and Issued		
10,000 Ordinary Shares of £1 each	£10,000	£10,000
	<u> </u>	<u> </u>
15. Deferred Asset		
Advance Corporation Tax in respect of dividends	22,500	17,500
Corporation Tax paid on overdrawn Directors' Loan Account	<u> </u>	<u>2,868</u>
	£22,500	£20,368
	<u> </u>	<u> </u>
16. Movement of Shareholders' Funds		
Profit for the year	120,916	71,468
<u>Less:</u> Dividends	<u>90,000</u>	<u>70,000</u>
	30,916	1,468
Opening Shareholders' Funds	<u>248,989</u>	<u>247,521</u>
Closing Shareholders' Funds	<u>£279,905</u>	<u>£248,989</u>