

Registration number 2028310

Monomarket Limited

Directors' report and financial statements

for the year ended 30 November 2001



Monomarket Limited

Company information

Directors	G I H Gale G E Gale
Secretary	G E Gale
Company number	2028310
Registered office	160-170 New Bridge Street Newcastle upon Tyne NE1 2TE
Auditors	Peter Weldon & Co 3 - 5 Lintonville Terrace Ashington Northumberland NE63 9UN
Bankers	Lloyds TSB Bank plc St Mary's Place Branch Newcastle upon Tyne NE1 7PR
Solicitors	Watson Burton 20 Collingwood Street Newcastle upon Tyne NE99 1YQ

Monomarket Limited

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Monomarket Limited

Directors' report for the year ended 30 November 2001

The directors present their report and the financial statements for the year ended 30 November 2001.

Principal activity and review of the business

The principal activity of the company is the retailing of beds, mattresses, sofa beds and pine furniture which it carries out from three locations in the North East of England. The directors are satisfied with the results for the year and continue to concentrate their attention upon managing an efficient retail chain with a strong emphasis on customer service.

Results and dividends

The results for the year are set out on page 5.

The directors have paid an interim dividend amounting to £150,000 and they do not recommend payment of a final dividend.

Directors and their interests

The directors who served during the year and their interests in the company are as stated below:

	Ordinary shares	
	30/11/01	01/12/00
G I H Gale	5,001	5,001
G E Gale	4,999	4,999

Charitable and political contributions

During the year the company contributed £3,150 to charities.

Directors' responsibilities

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

- select suitable accounting policies and 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.

Monomarket Limited

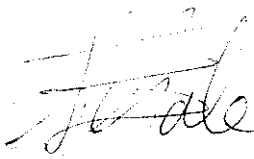
**Directors' report
for the year ended 30 November 2001**

Auditors

Peter Weldon & Co were appointed auditors to the company and in accordance with Section 385 of the Companies Act 1985, a resolution proposing their reappointment will be put to the Annual General Meeting.

This report was approved by the Board on 13th May 2002 and signed on its behalf by

**G E Gale
Secretary**

A handwritten signature in dark ink, appearing to read 'G E Gale', is written over the printed name and title.

Monomarket Limited

Independent auditors' report to the shareholders of Monomarket Limited

We have audited the financial statements of Monomarket Limited for the year ended 30 November 2001 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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.

Monomarket Limited

Independent auditors' report to the shareholders of Monomarket Limited continued

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 November 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Peter Weldon & Co
Registered auditors
3 - 5 Lintonville Terrace
Ashington
Northumberland
NE63 9UN

Peter Weldon & Co
13th May 2002

Monomarket Limited

**Profit and loss account
for the year ended 30 November 2001**

		Continuing operations	
		2001	2000
	Notes	£	£
Turnover	2	5,511,722	5,047,853
Cost of sales		(3,466,789)	(3,164,338)
Gross profit		2,044,933	1,883,515
Administrative expenses		(1,741,664)	(1,583,062)
Other operating income		9,000	8,200
Operating profit	3	312,269	308,653
Other interest receivable and similar income		824	1,270
Interest payable and similar charges	5	(34,935)	(40,927)
Profit on ordinary activities before taxation		278,158	268,996
Tax on profit on ordinary activities	8	(67,956)	(58,694)
Profit on ordinary activities after taxation		210,202	210,302
Dividends	9	(150,000)	(150,000)
Retained profit for the year		60,202	60,302
Retained profit brought forward		379,085	318,783
Retained profit carried forward		439,287	379,085

There are no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 8 to 16 form an integral part of these financial statements.

Monomarket Limited

**Balance sheet
as at 30 November 2001**

		2001		2000	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	10		1,121,086		1,014,177
Investments	11		100		100
			<u>1,121,186</u>		<u>1,014,277</u>
Current assets					
Stocks	12	534,393		447,791	
Debtors	13	102,259		105,930	
Cash at bank and in hand		301,949		78,703	
		<u>938,601</u>		<u>632,424</u>	
Creditors: amounts falling due within one year	14	<u>(1,237,113)</u>		<u>(845,477)</u>	
Net current liabilities			<u>(298,512)</u>		<u>(213,053)</u>
Total assets less current liabilities			822,674		801,224
Creditors: amounts falling due after more than one year	15		(363,322)		(412,139)
Provisions for liabilities and charges	16		<u>(10,065)</u>		<u>-</u>
Net assets			<u>449,287</u>		<u>389,085</u>
Capital and reserves					
Called up share capital	18		10,000		10,000
Profit and loss account			<u>439,287</u>		<u>379,085</u>
Equity shareholders' funds	19		<u>449,287</u>		<u>389,085</u>

The financial statements were approved by the Board on 13th May 2002 and signed on its behalf by

G I H Gale
Director

The notes on pages 8 to 16 form an integral part of these financial statements.

Monomarket Limited

Cash flow statement for the year ended 30 November 2001

	Notes	2001 £	2000 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		312,269	308,653
Depreciation		67,312	42,700
(Increase) in stocks		(86,602)	(59,521)
Decrease in debtors		3,671	14,187
Increase in creditors		214,898	24,860
Net cash inflow from operating activities		<u>511,548</u>	<u>330,879</u>
Cash flow statement			
Net cash inflow from operating activities		511,548	330,879
Returns on investments and servicing of finance	22	(34,111)	(39,657)
Taxation	22	(57,159)	(37,694)
Capital expenditure	22	(174,221)	(57,650)
Acquisitions and disposals	22	-	(15)
		<u>246,057</u>	<u>195,863</u>
Equity dividends paid		(150,000)	(150,000)
		<u>96,057</u>	<u>45,863</u>
Financing	22	(48,830)	(9,056)
Increase in cash in the year		<u>47,227</u>	<u>36,807</u>
Reconciliation of net cash flow to movement in net funds (Note 23)			
Increase in cash in the year		47,227	36,807
Cash inflow from decrease in debts and lease financing		(664)	9,056
		<u>46,563</u>	<u>45,863</u>
Change in net funds resulting from cash flows		46,563	45,863
New finance leases and hire purchase contracts		(2,958)	(25,238)
		<u>43,605</u>	<u>20,625</u>
Movement in net funds in the year		43,605	20,625
Net debt at 1 December 2000		(396,658)	(435,914)
Net debt at 30 November 2001		<u>(353,053)</u>	<u>(415,289)</u>

Monomarket Limited

Notes to the financial statements for the year ended 30 November 2001

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention .

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Land and buildings	-	Straight line over 75 years
Fixtures, fittings and equipment	-	15% Written Down Value
Motor vehicles	-	25% Written Down Value

1.4. Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5. Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.6. Stock

Stock is valued at the lower of cost and net realisable value.

1.7. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

The regular cost of providing retirement pensions and related benefits is charged to the profit and loss account over the employees' service lives on the basis of a constant percentage of earnings.

1.8. Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to materialise or the amounts are considered to be immaterial.

Monomarket Limited

Notes to the financial statements for the year ended 30 November 2001

..... continued

1.9. Group accounts

The company is entitled to the exemption under Section 248 of the Companies Act 1985 from the obligation to prepare group accounts.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

3. Operating profit

Operating profit is stated after charging:

Depreciation and other amounts written off tangible assets

Loss on disposal of tangible fixed assets

Operating lease rentals

- Land and buildings

Auditors' remuneration

2001	2000
£	£
65,861	42,319
1,451	381
76,696	65,534
6,779	8,529

4. Interest receivable and similar income

Bank interest

2001	2000
£	£
824	1,270

5. Interest payable and similar charges

On bank loans and overdrafts

Hire purchase interest

2001	2000
£	£
30,225	35,947
4,710	4,980
34,935	40,927

Monomarket Limited

Notes to the financial statements for the year ended 30 November 2001

..... continued

6. Employees

Number of employees

The average monthly numbers of employees
(including the directors) during the year were:

	2001	2000
Administration	6	6
Sales	41	41
	<u>47</u>	<u>47</u>

Employment costs

	2001 £	2000 £
Wages and salaries	798,909	724,983
Other pension costs	22,188	12,793
	<u>821,097</u>	<u>737,776</u>

6.1. Directors' emoluments

	2001 £	2000 £
Remuneration and other emoluments	98,100	111,400
Pension contributions	12,792	12,793
	<u>110,892</u>	<u>124,193</u>

	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	<u>2</u>	<u>2</u>

7. Pension costs

The company operates a defined contribution pension scheme in respect of the directors and employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £22,188 (2000 - £12,793).

Monomarket Limited

Notes to the financial statements for the year ended 30 November 2001

..... continued

8.	Taxation			2001	2000
				£	£
	UK current year taxation				
	UK corporation tax			57,891	59,000
	Transfer to deferred taxation			10,065	-
				<u>67,956</u>	<u>59,000</u>
	Prior years				
	UK corporation tax			-	(306)
				<u>67,956</u>	<u>58,694</u>
9.	Dividends			2001	2000
				£	£
	Dividends on equity shares:				
	Ordinary shares - interim paid			<u>150,000</u>	<u>150,000</u>
10.	Tangible fixed assets	Land and buildings freehold £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
	Cost				
	At 1 December 2000	965,245	101,078	119,570	1,185,893
	Additions	45,001	12,605	122,615	180,221
	Disposals	-	-	(31,400)	(31,400)
	At 30 November 2001	<u>1,010,246</u>	<u>113,683</u>	<u>210,785</u>	<u>1,334,714</u>
	Depreciation				
	At 1 December 2000	58,991	48,360	64,365	171,716
	On disposals	-	-	(23,949)	(23,949)
	Charge for the year	13,471	9,798	42,592	65,861
	At 30 November 2001	<u>72,462</u>	<u>58,158</u>	<u>83,008</u>	<u>213,628</u>
	Net book values				
	At 30 November 2001	<u>937,784</u>	<u>55,525</u>	<u>127,777</u>	<u>1,121,086</u>
	At 30 November 2000	<u>906,254</u>	<u>52,718</u>	<u>55,205</u>	<u>1,014,177</u>

Monomarket Limited

Notes to the financial statements for the year ended 30 November 2001

..... continued

Included above are assets held under finance leases or hire purchase contracts as follows:

Asset description	2001		2000	
	Net	Depreciation	Net	Depreciation
	book value	charge	book value	charge
	£	£	£	£
Motor vehicles	<u>58,972</u>	<u>19,657</u>	<u>55,080</u>	<u>18,361</u>

11. Fixed asset investments	Subsidiary undertakings shares £	Total £
Cost		
At 1 December 2000		
At 30 November 2001	100	100
Net book values		
At 30 November 2001	<u>100</u>	<u>100</u>
At 30 November 2000	<u>100</u>	<u>100</u>

12. Stocks	2001 £	2000 £
Finished goods and goods for resale	<u>534,393</u>	<u>447,791</u>

13. Debtors	2001 £	2000 £
Trade debtors	88,429	91,246
Prepayments and accrued income	<u>13,830</u>	<u>14,684</u>
	<u>102,259</u>	<u>105,930</u>

Monomarket Limited

**Notes to the financial statements
for the year ended 30 November 2001**

..... continued

14. Creditors: amounts falling due within one year	2001 £	2000 £
Bank overdraft	176,019	-
Bank loan	69,492	73,127
Net obligations under finance leases and hire purchase contracts	37,113	33,491
Trade creditors	498,742	477,778
Corporation tax	59,732	59,000
Other taxes and social security costs	86,344	17,613
Directors' accounts	152,328	156,911
Other creditors	78,673	-
Accruals and deferred income	78,670	27,557
	<u>1,237,113</u>	<u>845,477</u>

15. Creditors: amounts falling due after more than one year	2001 £	2000 £
Bank loan	324,224	361,470
Net obligations under finance leases and hire purchase contracts	39,098	50,669
	<u>363,322</u>	<u>412,139</u>

16 Provisions for liabilities and charges	Deferred taxation (Note 17) £	Total £
Movements in the year	10,065	10,065
At 30 November 2001	<u>10,065</u>	<u>10,065</u>

Monomarket Limited

Notes to the financial statements for the year ended 30 November 2001

..... continued

17. Deferred taxation

Deferred tax is analysed over the following timing differences:

	Not provided		Provided	
	2001	2000	2001	2000
	£	£	£	£
Accelerated capital allowances	-	-	10,065	-

Movements on the provision for deferred taxation are:

	2001	2000
	£	£
At 1 December 2000	-	-
Transferred from profit and loss account	10,065	-
At 30 November 2001	10,065	-

18. Share capital

Authorised equity

10,000 Ordinary shares of 1 each

Allotted, called up and fully paid equity

10,000 Ordinary shares of 1 each

19. Reconciliation of movements in shareholders' funds

Profit for the year

Dividends

Opening shareholders' funds

Closing shareholders' funds

2001	2000
£	£
10,000	10,000
10,000	10,000
210,202	210,302
(150,000)	(150,000)
60,202	60,302
389,085	328,783
449,287	389,085

Monomarket Limited

Notes to the financial statements for the year ended 30 November 2001

..... continued

20. Financial commitments

At 30 November 2001 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2001	2000
	£	£
Expiry date:		
Between one and five years	56,400	45,195
In over five years	56,400	30,320
	<u>112,800</u>	<u>75,515</u>

21. Controlling interest

The company holds the whole of the issued share capital of Mr Mattress Limited, a company registered in England and Wales. The company was dormant for the financial year.

22. Gross cash flows

	2001	2000
	£	£
Returns on investments and servicing of finance		
Interest received	824	1,270
Interest paid	(34,935)	(40,927)
	<u>(34,111)</u>	<u>(39,657)</u>
Taxation		
Corporation tax paid	<u>(57,159)</u>	<u>(37,694)</u>
Capital expenditure		
Payments to acquire tangible assets	(180,221)	(80,537)
Receipts from sales of tangible assets	6,000	22,887
	<u>(174,221)</u>	<u>(57,650)</u>
Acquisitions and disposals		
Payments on acquisition of group interests	-	(15)
Financing		
Capital element of finance leases and hire purchase contracts	<u>(48,830)</u>	<u>(9,056)</u>

Monomarket Limited

Notes to the financial statements for the year ended 30 November 2001

..... continued

23. Analysis of changes in net funds

	Opening balance	Cash flows	Other changes	Closing balance
	£	£	£	£
Cash at bank and in hand	78,703	223,246		301,949
Overdrafts	-	(176,019)		(176,019)
	<u>78,703</u>	<u>47,227</u>		<u>125,930</u>
Debt due within one year	(69,492)	-	-	(69,492)
Debt due after one year	(324,224)	-	-	(324,224)
Finance leases and hire purchase contracts	(81,645)	(664)	(2,958)	(85,267)
	<u>(475,361)</u>	<u>(664)</u>	<u>(2,958)</u>	<u>(478,983)</u>
Net funds	<u>(396,658)</u>	<u>46,563</u>	<u>(2,958)</u>	<u>(353,053)</u>