

Registration number 2028310

Monomarket Limited
Directors' report and financial statements
for the year ended 30 November 2005



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 87 Station Road Ashington Northumberland NE63 8RS
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

Contents

	Page
Directors' report	1 - 2
Auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 16

Monomarket Limited

Directors' report for the year ended 30 November 2005

The directors present their report and the financial statements for the year ended 30 November 2005.

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 £100,000 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:

	Class of share	30/11/05	01/12/04
G I H Gale	Ordinary shares	5,001	5,001
G E Gale	Ordinary shares	4,999	4,999

Charitable and political contributions

During the year the company contributed £3,919 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.

Auditors

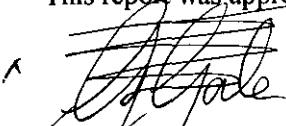
In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Peter Weldon & Co be reappointed as auditors of the company will be put to the Annual General Meeting.

Monomarket Limited

**Directors' report
for the year ended 30 November 2005**

..... continued

This report was approved by the Board on 11th September 2006 and signed on its behalf by


G E Gale
Secretary

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 2005 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

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 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**Peter Weldon & Co
Chartered Accountants and
Registered auditors**

**87 Station Road
Ashington
Northumberland**

NE63 8RS

*Peter Weldon & co
11th September 2006*

Monomarket Limited

Profit and loss account for the year ended 30 November 2005

		Continuing operations	
		2005	2004
	Notes	£	£
Turnover	2	8,294,143	8,753,107
Cost of sales		(4,876,723)	(5,397,644)
Gross profit		3,417,420	3,355,463
Administrative expenses		(3,169,126)	(3,054,324)
Other operating income		800	9,000
Operating profit	3	249,094	310,139
Other interest receivable and similar income	4	1,015	1,676
Interest payable and similar charges	5	(29,321)	(21,135)
Profit on ordinary activities before taxation		220,788	290,680
Tax on profit on ordinary activities	8	(45,962)	(52,042)
Profit on ordinary activities after taxation		174,826	238,638
Dividends	9	(100,000)	(200,000)
Retained profit for the year		74,826	38,638
Retained profit brought forward		522,601	483,963
Retained profit carried forward		597,427	522,601

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

The notes on pages 7 to 16 form an integral part of these financial statements.

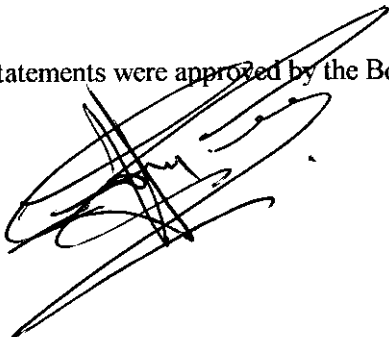
Monomarket Limited

**Balance sheet
as at 30 November 2005**

		2005		2004	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	10		1,225,988		1,304,941
Investments	11		100		100
			<u>1,226,088</u>		<u>1,305,041</u>
Current assets					
Stocks	12	760,654		701,452	
Debtors	13	163,833		267,257	
Cash at bank and in hand		129,905		134,985	
		<u>1,054,392</u>		<u>1,103,694</u>	
Creditors: amounts falling due within one year	14	(1,531,353)		(1,678,670)	
Net current liabilities			<u>(476,961)</u>		<u>(574,976)</u>
Total assets less current liabilities			749,127		730,065
Creditors: amounts falling due after more than one year	15		(121,618)		(176,311)
Provisions for liabilities and charges	16		(20,082)		(21,153)
Net assets			<u>607,427</u>		<u>532,601</u>
Capital and reserves					
Called up share capital	18		10,000		10,000
Profit and loss account			597,427		522,601
Shareholders' funds	19		<u>607,427</u>		<u>532,601</u>

The financial statements were approved by the Board on ^{11th September 2006} and signed on its behalf by

G I H Gale
Director



The notes on pages 7 to 16 form an integral part of these financial statements.

Monomarket Limited

Notes to the financial statements for the year ended 30 November 2005

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
Plant and machinery	-	15% Written Down Value
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.

1.5. Investments

Fixed asset investments are stated at cost less provision for permanent 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.

Monomarket Limited

Notes to the financial statements for the year ended 30 November 2005

..... continued

1.8. 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 a right to pay less or to receive more, tax, with the following exceptions:

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;

Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;

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 an undiscounted 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.

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

	2005 £	2004 £
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	84,226	101,933
Operating lease rentals		
- Land and buildings	240,351	169,539
Auditors' remuneration	3,500	9,200

Monomarket Limited

**Notes to the financial statements
for the year ended 30 November 2005**

..... continued

4. Interest receivable and similar income	2005	2004
	£	£
Bank interest	<u>1,015</u>	<u>1,676</u>
5. Interest payable and similar charges	2005	2004
	£	£
Interest payable on loans < 1 yr	23,880	17,635
Hire purchase interest	<u>5,441</u>	<u>3,500</u>
	<u>29,321</u>	<u>21,135</u>
6. Employees		
Number of employees	2005	2004
The average monthly numbers of employees (including the directors) during the year were:		
Administration	9	9
Sales	<u>57</u>	<u>55</u>
	<u>66</u>	<u>64</u>
Employment costs	2005	2004
	£	£
Wages and salaries	1,559,173	1,525,069
Other pension costs	<u>87,710</u>	<u>42,398</u>
	<u>1,646,883</u>	<u>1,567,467</u>
6.1. Directors' emoluments	2005	2004
	£	£
Remuneration and other emoluments	156,000	161,580
Pension contributions	<u>29,000</u>	<u>12,000</u>
	<u>185,000</u>	<u>173,580</u>
	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	<u>1</u>	<u>1</u>

Monomarket Limited

Notes to the financial statements for the year ended 30 November 2005

..... continued

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 £87,710 (2004 - £42,398).

8. Tax on profit on ordinary activities

Analysis of charge in period	2005 £	2004 £
Current tax		
UK corporation tax	48,643	56,432
Adjustments in respect of previous periods	(1,610)	-
	<u>47,033</u>	<u>56,432</u>
Total current tax charge	<u>47,033</u>	<u>56,432</u>
Deferred tax		
Timing differences, origination and reversal	(1,071)	(4,390)
Total deferred tax	<u>(1,071)</u>	<u>(4,390)</u>
Tax on profit on ordinary activities	<u>45,962</u>	<u>52,042</u>

Factors affecting tax charge for period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (19 per cent). The differences are explained below:

	2005 £	2004 £
Profit on ordinary activities before taxation	<u>220,788</u>	<u>290,680</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (30 November 2004 : 19%)	41,950	55,229
Effects of:		
Expenses not deductible for tax purposes	18,950	22,870
Capital allowances for period in excess of depreciation	(12,257)	(21,667)
Adjustments to tax charge in respect of previous periods	(1,610)	-
Current tax charge for period	<u>47,033</u>	<u>56,432</u>

Monomarket Limited

**Notes to the financial statements
for the year ended 30 November 2005**

..... continued

9.	Dividends			2005	2004	
				£	£	
	Dividends on equity shares:					
	Ordinary shares - interim paid			100,000	200,000	
10.	Tangible fixed assets	Land and buildings freehold £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
	Cost					
	At 1 December 2004	1,058,738	97,020	247,620	367,520	1,770,898
	Additions	-	-	5,273	-	5,273
	At 30 November 2005	1,058,738	97,020	252,893	367,520	1,776,171
	Depreciation					
	At 1 December 2004	114,727	27,247	108,595	215,388	465,957
	Charge for the year	14,081	10,466	21,645	38,034	84,226
	At 30 November 2005	128,808	37,713	130,240	253,422	550,183
	Net book values					
	At 30 November 2005	929,930	59,307	122,653	114,098	1,225,988
	At 30 November 2004	944,011	69,773	139,025	152,132	1,304,941

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

Asset description	2005		2004	
	Net book value	Depreciation charge	Net book value	Depreciation charge
	£	£	£	£
Motor vehicles	60,621	20,208	71,057	37,714
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Monomarket Limited

**Notes to the financial statements
for the year ended 30 November 2005**

..... continued

11. Fixed asset investments	Subsidiary undertakings shares £	Total £
Cost		
At 1 December 2004		
At 30 November 2005	100	100
Net book values		
At 30 November 2005	100	100
At 30 November 2004	100	100
12. Stocks	2005 £	2004 £
Finished goods and goods for resale	760,654	701,452
13. Debtors	2005 £	2004 £
Trade debtors	111,669	207,088
Prepayments and accrued income	52,164	60,169
	163,833	267,257

Monomarket Limited

**Notes to the financial statements
for the year ended 30 November 2005**

..... continued

14. Creditors: amounts falling due within one year	2005 £	2004 £
Bank overdraft	245,098	224,299
Bank loan	69,600	69,676
Net obligations under finance leases and hire purchase contracts	46,598	51,086
Trade creditors	773,621	900,964
Corporation tax	48,643	57,750
Other taxes and social security costs	165,657	200,741
Directors' accounts	70,749	87,717
Other creditors	94,297	65,087
Accruals and deferred income	17,090	21,350
	<u>1,531,353</u>	<u>1,678,670</u>
 15. Creditors: amounts falling due after more than one year	 2005 £	 2004 £
Bank loan	<u>121,618</u>	<u>176,311</u>
 16. Provisions for liabilities and charges	 Deferred taxation (Note 17) £	 Total £
At 1 December 2004	20,082	20,082
At 30 November 2005	<u>20,082</u>	<u>20,082</u>

Monomarket Limited

**Notes to the financial statements
for the year ended 30 November 2005**

..... continued

17. Provision for deferred taxation	2005	2004
	£	£
Accelerated capital allowances	<u>20,082</u>	<u>21,153</u>
Provision at 1 December 2004	21,153	
Deferred tax charge in profit and loss account	<u>(1,071)</u>	
Provision at 30 November 2005	<u>20,082</u>	
18. Share capital	2005	2004
	£	£
Authorised equity		
10,000 Ordinary shares of 1 each	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid equity		
10,000 Ordinary shares of 1 each	<u>10,000</u>	<u>10,000</u>
19. Reconciliation of movements in shareholders' funds	2005	2004
	£	£
Profit for the year	174,826	238,638
Dividends	<u>(100,000)</u>	<u>(200,000)</u>
	74,826	38,638
Opening shareholders' funds	<u>532,601</u>	<u>493,963</u>
Closing shareholders' funds	<u>607,427</u>	<u>532,601</u>

Monomarket Limited

Notes to the financial statements for the year ended 30 November 2005

..... continued

20. Financial commitments

At 30 November 2005 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2005	2004
	£	£
Expiry date:		
Between one and five years	150,000	150,000
In over five years	150,000	150,000
	<u>300,000</u>	<u>300,000</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

	2005	2004
	£	£
Returns on investments and servicing of finance		
Interest received	1,015	1,676
Interest paid	(29,321)	(21,135)
	<u>(28,306)</u>	<u>(19,459)</u>
Capital expenditure		
Payments to acquire tangible assets	<u>(11,269)</u>	<u>(136,941)</u>
Financing		
Capital element of finance leases and hire purchase contracts	<u>1,508</u>	<u>(95)</u>

Monomarket Limited

Notes to the financial statements for the year ended 30 November 2005

..... continued

23. Analysis of changes in net funds

	Opening balance	Cash flows	Other changes	Closing balance
	£	£	£	£
Cash at bank and in hand	134,985	(5,080)		129,905
Overdrafts	(224,299)	(20,799)		(245,098)
	(89,314)	(25,879)		(115,193)
Debt due within one year	(69,600)	-	-	(69,600)
Debt due after one year	(121,618)	-	-	(121,618)
Finance leases and hire purchase contracts	(59,198)	(1,508)	5,996	(54,710)
	(250,416)	(1,508)	5,996	(245,928)
Net funds	(339,730)	(27,387)	5,996	(361,121)

Monomarket Limited

The following pages do not form part of the statutory accounts.

Monomarket Limited

Detailed trading and profit and loss account for the year ended 30 November 2005

	2005		2004	
	£	£	£	£
Sales				
Sales		8,294,143		8,752,222
Other income		-		885
		<u>8,294,143</u>		<u>8,753,107</u>
Cost of sales				
Opening stock	701,452		625,246	
Purchases	4,935,925		5,473,850	
	<u>5,637,377</u>		<u>6,099,096</u>	
Closing stock	(760,654)		(701,452)	
		<u>(4,876,723)</u>		<u>(5,397,644)</u>
Gross profit	41%	3,417,420	38%	3,355,463
Administrative expenses	3,169,126		3,054,324	
		<u>(3,169,126)</u>		<u>(3,054,324)</u>
		248,294		301,139
Other operating income				
Rent receivable	800		9,000	
	<u>800</u>		<u>9,000</u>	
		800		9,000
Operating profit	3%	249,094	4%	310,139
Other income and expenses				
Interest receivable				
Bank deposit interest	1,015		1,676	
	<u>1,015</u>		<u>1,676</u>	
		1,015		1,676
Interest payable				
Bank interest	23,880		17,635	
HP interest and fin. lease charges	5,441		3,500	
	<u>(29,321)</u>		<u>(21,135)</u>	
Net profit for the year		<u>220,788</u>		<u>290,680</u>

Monomarket Limited

Administrative expenses for the year ended 30 November 2005

	2005 £	2004 £
Administrative expenses		
Wages and salaries	1,403,173	1,363,489
Directors' remuneration	156,000	161,580
Directors' money purchase pension costs	29,000	12,000
Staff money purchase pension costs	58,710	30,398
Staff training	-	3,285
Operating lease rentals - land & blds	240,351	169,539
Rates	131,753	112,525
Insurance	46,967	42,903
Light and heat	27,477	19,912
Cleaning & refuse	24,526	23,439
Clothing Costs	2,645	3,071
Repairs and maintenance	22,730	35,633
Printing, postage and stationery	15,731	19,552
Advertising and sales literature	609,568	623,916
Telephone	21,945	30,213
Equipment leasing charges	890	1,047
Car Hire	1,404	3,489
Motor expenses	86,196	86,581
Travelling	20,470	15,030
Entertaining	2,115	4,696
Gifts & Samples	7,475	7,000
Legal and professional	2,137	4,042
Accountancy	8,200	12,300
Audit and accountancy charges	3,500	9,200
Finance company charges	101,066	95,684
Bank charges	16,084	15,081
Credit card charges	36,055	36,220
General expenses	4,429	7,617
Charitable donations - other	3,919	2,700
Subscriptions	384	249
Depreciation on freehold property	14,081	14,081
Depreciation on plant and machinery	10,466	12,313
Depreciation on FF & Equipment	21,645	24,828
Depreciation on motor vehicles	38,034	50,711
	<u>3,169,126</u>	<u>3,054,324</u>