

**UNIVERSAL BEDDING & UPHOLSTERY (1998)
LTD**

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED

31 DECEMBER 2002



UNW LLP

Chartered Accountants & Registered Auditors
Henshelwood House
18 Tankerville Terrace
Newcastle Upon Tyne
NE2 3AJ

UNIVERSAL BEDDING & UPHOLSTERY (1998) LTD

INDEPENDENT AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 5, together with the financial statements of the company for the year ended 31 December 2002 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company's shareholders, as a body, in accordance with Section 247B 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 THE DIRECTOR AND THE AUDITORS

The director is responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.

unw LLP

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unw LLP
Chartered Accountants
& Registered Auditors

28 October 2003

UNIVERSAL BEDDING & UPHOLSTERY (1998) LTD

ABBREVIATED BALANCE SHEET

31 DECEMBER 2002

	Note	2002 £	2001 (restated) £
FIXED ASSETS	2		
Tangible assets		<u>375,408</u>	<u>402,394</u>
CURRENT ASSETS			
Stocks		238,098	257,558
Debtors		89,530	174,413
Cash at bank and in hand		<u>486</u>	<u>12,902</u>
		<u>328,114</u>	<u>444,873</u>
CREDITORS: Amounts falling due within one year	3	<u>289,634</u>	<u>365,030</u>
NET CURRENT ASSETS		<u>38,480</u>	<u>79,843</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>413,888</u>	<u>482,237</u>
CREDITORS: Amounts falling due after more than one year	4	357,555	344,893
PROVISIONS FOR LIABILITIES AND CHARGES		12,800	12,800
GOVERNMENT GRANTS	5	15,000	30,000
		<u>28,533</u>	<u>94,544</u>
CAPITAL AND RESERVES			
Called-up equity share capital	7	44,166	42,666
Share premium account		4,444	2,944
Profit and loss account		<u>(20,077)</u>	<u>48,934</u>
SHAREHOLDERS' FUNDS		<u>28,533</u>	<u>94,544</u>

These abbreviated financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved and signed by the director on 28 October 2003.


S GRAHAM

The notes on pages 3 to 5 form part of these abbreviated accounts.

UNIVERSAL BEDDING & UPHOLSTERY (1998) LTD

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2002

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

The turnover shown in the profit and loss account represents amounts receivable during the period, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property	-	2% per annum straight line
Plant & Machinery	-	10% to 33% per annum straight line
Fixtures & Fittings	-	20% per annum straight line

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

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.

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.

UNIVERSAL BEDDING & UPHOLSTERY (1998) LTD

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2002

1. ACCOUNTING POLICIES *(continued)*

Deferred government grants

Deferred government grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate.

2. FIXED ASSETS

	Tangible Assets £
COST	
At 1 January 2002	435,573
Additions	2,127
At 31 December 2002	<u>437,700</u>
DEPRECIATION	
At 1 January 2002	33,179
Charge for year	29,113
At 31 December 2002	<u>62,292</u>
NET BOOK VALUE	
At 31 December 2002	<u>375,408</u>
At 31 December 2001	<u>402,394</u>

3. CREDITORS: Amounts falling due within one year

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2002	2001 <i>(restated)</i>
	£	£
Debenture loans	<u>41,657</u>	<u>99,223</u>

4. CREDITORS: Amounts falling due after more than one year

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2002	2001 <i>(restated)</i>
	£	£
Debenture loans	<u>357,555</u>	<u>344,893</u>

Included within creditors falling due after more than one year is an amount of £190,927 (2001 - £Nil) in respect of liabilities which fall due for payment after more than five years from the balance sheet date.

UNIVERSAL BEDDING & UPHOLSTERY (1998) LTD

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2002

5. GOVERNMENT GRANTS

	2002	2001 (restated)
	£	£
Received and receivable	45,000	45,000
Amortisation	(30,000)	(15,000)
	<u>15,000</u>	<u>30,000</u>

6. TRANSACTIONS WITH THE DIRECTOR

During the year ended 31 December 2002 the company made a loan of £1,000 to S Graham. The loan was repaid in January 2003.

7. SHARE CAPITAL

Authorised share capital:

	2002	2001 (restated)
	£	£
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

Allotted, called up and fully paid:

	2002		2001	
	No	£	No	£
Ordinary shares of £1 each	<u>44,166</u>	<u>44,166</u>	<u>42,666</u>	<u>42,666</u>