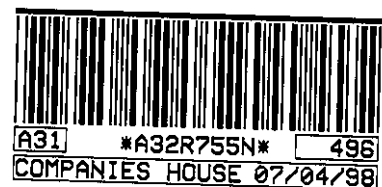

DREAMS PLC

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED
28 DECEMBER 1997**

Company Number: 2189427



DREAMS PLC

Company Information

Directors	M G Clare C A Clare
Secretary	C A Clare
Company Number	2189427
Registered Office	Knaves Beech Loudwater High Wycombe Buckinghamshire HP10 9QY
Auditors	Barnes Roffe Chartered Accountants and Registered Auditors 3 Brook Business Centre Cowley Mill Road Uxbridge Middlesex UB8 2FX

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DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 28 DECEMBER 1997

The directors present their report and the financial statements for the 52 weeks ended 28 December 1997.

Statement of 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 affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- 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.

Results and dividends

The profit for the period after taxation, amounted to £250,482 (1996 - £210,145).

Interim dividends of £68,000 (£680.00 per share) on ordinary shares was paid during the period.

The directors do not recommend that a final dividend is paid.

Principal activities and review of business

The principal activity of the company was that of wholesalers and retailers of beds and associated products within the United Kingdom.

The directors are delighted to report a further year of profitable expansion, in which turnover increased by 28% and operating profit by 39%. The year saw the opening of ten new retail outlets, including two new franchises. This expansion is set to continue with at least ten new outlets forecast for each of 1998 and 1999.

The directors are pleased to report the progress which has been made in strengthening the company's balance sheet. In 1997 £250,482 was added to shareholders funds bringing the total to £604,665.

Company's policy for payment of creditors

It is the company's policy to pay all creditors on or before the date when the amounts fall due for payment. Due to the settlement discounts which are offered for prompt payment of invoices, the majority of invoices from manufacturers of beds are paid within seven days of the invoice date.

Current trade creditor days are 61 days, reflecting the large purchases made at the end of the year.

Directors

The directors who served during the period and their beneficial interests in the company's issued share capital were:

	Ordinary shares of £1 each	
	1997	1996
M G Clare	47,500	95
C A Clare	2,500	5

Events since the end of the period

On 5 January 1998, the company purchased freehold property in Aylesbury for £180,000.

On 30 March 1998, the company re-registered as a public limited company.

Auditors

The auditors, Barnes Roffe, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

This report was approved by the board on 4th April 1998 and signed on its behalf.

C A Clare
Secretary



AUDITORS' REPORT TO THE SHAREHOLDERS OF DREAMS PLC (FORMERLY DREAMS LIMITED)

We have audited the financial statements on pages 3 to 17 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 1 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.

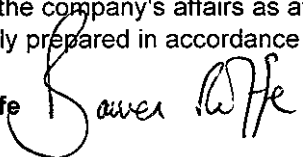
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Qualified opinion

Turnover includes the value of goods sold with a contractual deposit but not necessarily delivered. The company's records do not permit an analysis to determine whether a particular sale has been made from stock or needs to be ordered from a supplier and thus an accrual of cost is made against all sales invoiced but not delivered at the period end. The accounting policies and notes clearly identify the items and total amounts involved. These have been the standard accounting procedures for this company since incorporation.

Except for the matters referred to above in our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 28 December 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Barnes Roffe



Chartered Accountants and Registered Auditors
3 Brook Business Centre
Cowley Mill Road
Uxbridge
Middlesex
UB8 2FX

6th April 1998

PROFIT AND LOSS ACCOUNT
For the period ended 28 December 1997

		52 week period ended 28 December 1997 £	51 week period ended 29 December 1996 £
	Note		
GROSS SALES	1	14,908,630	11,617,077
LESS VALUE ADDED TAX	1	<u>(2,220,434)</u>	<u>(1,730,203)</u>
TURNOVER	1,2	12,688,196	9,886,874
Cost of sales		<u>(6,611,277)</u>	<u>(5,316,787)</u>
GROSS PROFIT		6,076,919	4,570,087
Administrative expenses		<u>(5,558,656)</u>	<u>(4,192,944)</u>
OPERATING PROFIT	3	518,263	377,143
Interest payable	6	<u>(216,302)</u>	<u>(106,014)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		301,961	271,129
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	7	<u>(51,479)</u>	<u>(60,984)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		250,482	210,145
DIVIDENDS	8	<u>(68,000)</u>	<u>(32,000)</u>
RETAINED PROFIT FOR THE PERIOD		182,482	178,145
RETAINED PROFIT BROUGHT FORWARD		279,786	101,641
Reserves capitalised	16	<u>(49,900)</u>	-
RETAINED PROFIT CARRIED FORWARD		<u>£ 412,368</u>	<u>£ 279,786</u>

All amounts relate to continuing operations.

The notes on pages 8 to 17 form part of these financial statements.

STATEMENT OF RECOGNISED GAINS AND LOSSES
For the period ended 28 December 1997

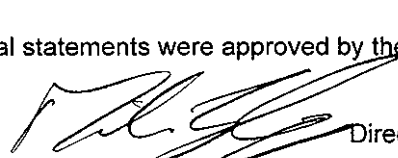
	52 week period ended 28 December 1997 £	51 week period ended 29 December 1996 £
Profit for the financial period after taxation	250,482	210,145
Unrealised surplus on revaluation of properties	-	142,297
Total gains and losses relating to the period	£ 250,482	£ 352,442

BALANCE SHEET
As at 28 December 1997

	Note	£	1997 £	£	1996 £
FIXED ASSETS					
Tangible fixed assets	9		2,017,449		1,430,240
CURRENT ASSETS					
Stocks	10	1,119,292		773,363	
Debtors	11	788,836		345,363	
Cash in hand		3,975		3,539	
		<u>1,912,103</u>		<u>1,122,265</u>	
CREDITORS: amounts falling due within one year	12	<u>(2,856,633)</u>		<u>(1,671,541)</u>	
NET CURRENT LIABILITIES			<u>(944,530)</u>		<u>(549,276)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,072,919</u>		<u>880,964</u>
CREDITORS: amounts falling due after more than one year	13		<u>(468,254)</u>		<u>(458,781)</u>
NET ASSETS			<u>£ 604,665</u>		<u>£ 422,183</u>
CAPITAL AND RESERVES					
Called up share capital	16		50,000		100
Revaluation reserve	17		142,297		142,297
Profit and loss account			412,368		279,786
SHAREHOLDERS' FUNDS - All equity	18		<u>£ 604,665</u>		<u>£ 422,183</u>

The financial statements were approved by the board on 4th April 1998 and signed on its behalf

M G Clare



Director

The notes on pages 8 to 17 form part of these financial statements.

CASH FLOW STATEMENT
For the period ended 28 December 1997

		52 week period ended 28 December 1997		51 week period ended 29 December 1996	
	Note	£	£	£	£
Net cash inflow from operating activities (Page 7)			1,540,957		461,781
Returns on investments and servicing of finance	19		(216,302)		(106,014)
Taxation			(64,979)		(6,736)
Capital expenditure and financial investment	19		(762,746)		(991,588)
Equity dividends paid			(68,000)		(32,000)
			<u> </u>		<u> </u>
Cash inflow/(outflow) before use of liquid resources and financing			428,930		(674,557)
Financing:					
Decrease in debt	19		(74,716)		(464,061)
			<u> </u>		<u> </u>
Increase/(decrease) in cash in the period		£	<u>354,214</u>	£	<u>(1,138,618)</u>

The notes on pages 8 to 17 form part of these financial statements.

CASH FLOW STATEMENT INFORMATION
For the period ended 28 December 1997

	Note	52 week period ended 28 December 1997		51 week period ended 29 December 1996	
		£	£	£	£
RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES					
Operating profit		518,263		377,143	
Depreciation of tangible fixed assets		174,833		127,159	
Loss on disposal of tangible fixed assets		705		24,249	
(Increase)/decrease in debtors		(443,473)		172,897	
(Increase) in stocks		(345,929)		(86,383)	
Increase/(decrease) in creditors		1,636,558		(153,284)	
Net cash inflow from operating activities		£ 1,540,957		£ 461,781	
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT					
	20				
Increase/(decrease) in cash in the period		354,214		(210,496)	
Cash inflow from increase/(decrease) in debt and lease financing		74,716		(535,939)	
Change in net debt resulting from cash flows		428,930		(746,435)	
New finance leases		-		(15,367)	
Movement in net debt in the period		428,930		(761,802)	
Net debt at 30 December 1996		(1,021,154)		(259,352)	
Net debt at 28 December 1997		£ (592,224)		£ (1,021,154)	

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 28 December 1997

1. ACCOUNTING POLICIES**1.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with applicable accounting standards, except where indicated, under the historical cost convention as modified by the revaluation of freehold land and buildings and include the results of the company's operations which are described in the Directors' Report and all of which are continuing.

1.2 Turnover and gross sales

Turnover included in the financial statements comprises the total amount, net of Value Added Tax, receivable by the company in the ordinary course of business for goods supplied or contractually ordered with a deposit.

Gross sales represents the amount of monies received or due from customers for goods supplied or contractually ordered with a deposit and includes the Value Added Tax element. Of the amount shown only the figure shown as turnover is attributable to the company.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold buildings	-	2%	per annum, straight line
Leasehold premises and improvements	-		over the period of the lease, straight line
Motor vehicles	-	25%	per annum, reducing balance
Fittings and office equipment	-	15 - 25%	per annum, straight line

1.4 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. 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 a constant periodic rate of charge on the net obligation outstanding in each period.

1.5 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

1.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Items sold but not delivered at the year end are included in stock and the cost of the re-order from the supplier is included in accruals.

1.7 Deferred Taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

1.8 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the period.

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 28 December 1997

2. TURNOVER

The whole of the turnover is attributable to the one principal activity of the company being that of wholesalers and retailers of beds and associated products.

All turnover arose within the United Kingdom

3. OPERATING PROFIT

The operating profit is stated after charging:

	52 week period ended 28 December 1997 £	51 week period ended 29 December 1996 £
Depreciation of tangible fixed assets		
- owned by the company	160,522	112,848
- held under finance leases and hire purchase contracts	14,311	14,311
Auditors' fees	9,000	7,000
Auditors' remuneration - non-audit costs	6,091	8,340
Operating lease rentals		
- other	946,815	637,029
Loss on sale of fixed assets	705	24,249
	<u>946,815</u>	<u>637,029</u>

4. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	52 week period ended 28 December 1997 £	51 week period ended 29 December 1996 £
Wages and salaries	2,432,327	1,735,790
Social security costs	218,002	148,434
Other pension costs	-	11,200
	<u>£ 2,650,329</u>	<u>£ 1,895,424</u>

The average monthly number of employees, including directors, during the period was as follows:

	52 week period ended 28 December 1997	51 week period ended 29 December 1996
Sales and administration	<u>139</u>	<u>99</u>

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 28 December 1997

5. DIRECTORS' REMUNERATION

	52 week period ended 28 December 1997 £	<i>51 week period ended 29 December 1996 £</i>
Aggregate emoluments	195,319	370,888
Company pension contributions to money purchase schemes	-	11,200
	<u>£ 195,319</u>	<u>£ 382,088</u>

During the period, two (1996 - two) directors were accruing benefits under money purchase pension schemes.

Highest paid director

- other emoluments	<u>£ 121,576</u>	<u>£ 126,297</u>
- payments to money purchase pension schemes	<u>£ -</u>	<u>£ 5,600</u>

6. INTEREST PAYABLE

	52 week period ended 28 December 1997 £	<i>51 week period ended 29 December 1996 £</i>
On bank loans and overdrafts	12,869	8,166
Loan interest	40,956	-
	<u>53,825</u>	<u>8,166</u>
On finance leases and hire purchase contracts	5,276	8,147
Credit card charges	157,201	89,701
	<u>£ 216,302</u>	<u>£ 106,014</u>

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 28 December 1997

7. TAXATION

	52 week period ended 28 December 1997 £	51 week period ended 29 December 1996 £
Current year taxation		
UK corporation tax at 21% (1996 - 24%)	58,500	63,000
Prior years		
UK corporation tax	(7,021)	(2,016)
	<u>£ 51,479</u>	<u>£ 60,984</u>

8. DIVIDENDS

	52 week period ended 28 December 1997 £	51 week period ended 29 December 1996 £
Ordinary - interim paid	<u>£ 68,000</u>	<u>£ 32,000</u>

The above dividend represents amounts paid to the directors as follows:

M G Clare	£64,600
C A Clare	£ 3,400

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 28 December 1997

9. TANGIBLE ASSETS

	Land & Buildings £	Fixtures & Equipment £	Motor Vehicles £	Total £
Cost or valuation				
At 30 December 1996	1,101,230	554,342	150,968	1,806,540
Additions	156,015	474,136	133,276	763,427
Disposals	(10,332)	(3,646)	(2,025)	(16,003)
At 28 December 1997	<u>1,246,913</u>	<u>1,024,832</u>	<u>282,219</u>	<u>2,553,964</u>
Depreciation				
At 30 December 1996	151,092	179,605	45,603	376,300
Charge for period	24,172	111,045	39,616	174,833
On disposals	(10,333)	(3,646)	(639)	(14,618)
At 28 December 1997	<u>164,931</u>	<u>287,004</u>	<u>84,580</u>	<u>536,515</u>
Net Book Value				
At 28 December 1997	<u>£ 1,081,982</u>	<u>£ 737,828</u>	<u>£ 197,639</u>	<u>£ 2,017,449</u>
<i>At 29 December 1996</i>	<u>£ 950,138</u>	<u>£ 374,737</u>	<u>£ 105,365</u>	<u>£ 1,430,240</u>

Included in land and buildings is freehold land valued at £550,000 (1996 - £500,000) which is not depreciated.

At 28 December 1997, £901,272 and £180,710 included within the net book value of land and buildings relates to freehold and leasehold land and buildings respectively.

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

	1997 £	1996 £
Fixtures, fittings and equipment	<u>25,675</u>	<u>40,076</u>
	<u>£ 25,675</u>	<u>£ 40,076</u>

On the historical cost basis, land and buildings would have been included as follows:

	1997 £	1996 £
Cost	642,703	642,703
Cumulative depreciation	<u>(4,667)</u>	<u>-</u>
Net book amount	<u>£ 638,036</u>	<u>£ 642,703</u>

The freehold property was valued on an open market basis in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual in October 1996.

No provision has been made for additional taxation of £34,000 which would arise if the land and buildings were disposed of at their revalued amount.

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 28 December 1997

10. STOCKS

	1997 £	1996 £
Goods for resale	£ 1,119,292	£ 773,363

11. DEBTORS

	1997 £	1996 £
Due within one year		
Due in respect of confirmed orders	617,654	433,158
Less deposits received in advance of delivery	(456,193)	(414,408)
	161,461	18,750
Trade debtors	91,576	43,210
Other debtors	16,207	17,997
Prepayments and accrued income	519,592	265,406
	£ 788,836	£ 345,363

12. CREDITORS:**Amounts falling due within one year**

	1997 £	1996 £
Bank loans and overdrafts	187,418	541,196
Net obligations under finance lease and hire purchase contracts	2,927	24,716
Trade creditors	1,646,938	602,992
Corporation tax	41,500	55,000
Social security and other taxes	286,882	90,476
Accruals and deferred income	409,883	130,822
Accruals for goods to be delivered	281,085	226,339
	£ 2,856,633	£ 1,671,541

The company's bank loan and overdraft are secured over the company's assets by a debenture dated 22 June 1988 and by 1st Mortgages over each of the company's freehold properties dated 28 November 1996 and 5th December 1997.

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 28 December 1997

13. CREDITORS:

Amounts falling due after more than one year

	1997 £	1996 £
Bank loans and overdrafts	400,000	450,000
Net obligations under finance lease and hire purchase contracts	5,854	8,781
Accruals and deferred income	62,400	-
	<u>£ 468,254</u>	<u>£ 458,781</u>

Included within the above are amounts falling due as follows:

In 1 - 2 years:

Loan instalments	50,000	50,000
Finance lease and hire purchase obligations	2,927	2,927

In 2 - 5 years:

Loan instalments	150,000	150,000
Finance lease and hire purchase obligations	2,927	5,854

In more than 5 years:

Loan instalments	200,000	250,000
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The bank loan is repayable by monthly instalments of £4,167. The rate of interest charged on the loan is 2.25% above the bank base rate.

14. LOANS

	1997 £	1996 £
Creditors include loans not wholly repayable within 5 years as follows:		
- repayable by instalments	<u>£ 200,000</u>	<u>£ 250,000</u>

15. PROVISIONS FOR LIABILITIES AND CHARGES**Deferred Tax**

The additional potential liability for deferred taxation not provided was as follows:

	1997 £	1996 £
Accelerated capital allowances	51,100	26,000
Revaluation of freehold property	34,000	34,000
	<u>£ 85,100</u>	<u>£ 60,000</u>

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 28 December 1997

16. CALLED UP SHARE CAPITAL

	1997 £	1996 £
Authorised		
100,000 ordinary shares of £1 each	£ 100,000	£ 10,000
Allotted, called up and fully paid		
50,000 ordinary shares of £1 each	£ 50,000	£ 100

On 12 November 1997, the authorised share capital of the company was increased to £100,000 and a bonus issue of 49,900 £1 ordinary shares was allotted as fully paid to the shareholders, Mr and Mrs Clare.

17. RESERVES

	£
Revaluation Reserve	
At 30 December 1996	142,297
Transfer from Profit and Loss Account	-
	<u>142,297</u>
At 28 December 1997	£ 142,297

18. SHAREHOLDERS' FUNDS

Reconciliation of movements on shareholders' funds	1997 £	1996 £
Profit for the period	250,482	210,145
Dividends	(68,000)	(32,000)
	<u>182,482</u>	<u>178,145</u>
Other recognised gains and losses during period	-	142,297
	<u>182,482</u>	<u>320,442</u>
Opening shareholders' funds	422,183	£ 101,741
	<u>604,665</u>	<u>422,183</u>
Closing shareholders' funds	£ 604,665	£ 422,183

**19. ANALYSIS OF CASH FLOWS FOR HEADINGS
NETTED IN THE CASH FLOW STATEMENT**

	1997 £	1996 £
Returns on investments and servicing of finance		
Interest paid	(211,026)	(97,867)
Interest element of finance lease rentals	(5,276)	(8,147)
	<u>(216,302)</u>	<u>(106,014)</u>
Net cash outflow for returns on investments and servicing of finance	£ (216,302)	£ (106,014)

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 28 December 1997

	1997 £	1996 £
19. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT (Continued)		
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(763,427)	(1,205,493)
Sale of tangible fixed assets	681	213,905
Net cash outflow for capital expenditure	<u>£ (762,746)</u>	<u>£ (991,588)</u>
Financing		
New loans	-	500,000
Repayment of loans	(50,000)	-
Capital element of finance lease rentals	(24,716)	(35,939)
(Decrease)/Increase in debt	<u>(74,716)</u>	<u>464,061</u>
Net cash (outflow)/inflow from financing	<u>£ (74,716)</u>	<u>£ 464,061</u>

20. ANALYSIS OF NET DEBT

	At 30 December 1996 £	Cash flow £	Other changes £	At 28 December 1997 £
Net cash:				
Cash at bank and in hand	3,539	436		3,975
Bank overdrafts	(491,196)	353,778		(137,418)
	<u>(487,657)</u>	<u>354,214</u>		<u>(133,443)</u>
Debt:				
Finance leases	(33,497)	24,716	-	(8,781)
Debt due within 1 year	(50,000)	50,000	(50,000)	(50,000)
Debt due after 1 year	(450,000)	-	50,000	(400,000)
	<u>(533,497)</u>	<u>74,716</u>	<u>-</u>	<u>(458,781)</u>
Net debt	<u>£ (1,021,154)</u>	<u>£ 428,930</u>	<u>£ -</u>	<u>£ (592,224)</u>

21. OTHER COMMITMENTS

At 28 December 1997 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	1997 £	1996 £
Expiry date:		
Within 1 year	92,802	59,917
Between 2 and 5 years	52,300	105,050
In more than 5 years	1,018,983	652,045

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 28 December 1997

22. TRANSACTIONS WITH DIRECTORS

Mr and Mrs Clare, directors, owned freehold property and received rental income from Dreams plc of £2,000 per month for the use of the premises. This transaction was at arm's length and on normal commercial terms.

23. POST BALANCE SHEET EVENTS

On 29 December 1997, the company entered into a rent guarantee in favour of Solitaire Holdings for £50,000.

On 5 January 1998, the company acquired a freehold property for the sum of £180,000 from the directors, Mr and Mrs Clare. The consideration was based on an independent valuation of the property.

On 30 March 1998, the company was re-registered as a public limited company.

24. PENSION COSTS

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the period.

25. ULTIMATE CONTROLLING PARTY

The company was controlled throughout the current and previous period by Mr M Clare, a director, by virtue of his 95% shareholding.