

Company Number: 00461520

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Reynolds and Co (Furnishers) Limited

Financial Statements

for the year ended 28th February 2001

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**Chairman**

N A Reynolds

**Registered Office**

27/31 High Street  
Bognor Regis  
West Sussex  
PO21 1RR

**Directors**

N A Reynolds  
D J Reynolds  
J B Reynolds  
S J Reynolds

**Secretary**

Mrs J A M Reynolds

**Auditors**

Hunt and Partners  
Metro House  
Northgate  
Chichester  
West Sussex  
PO19 1SD

**Bankers**

Natonal Westminster Bank Plc  
60 High Street  
Bognor Regis  
West Sussex  
PO21 1SL

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The directors submit their report together with the audited financial statements for the year ended 28th February 2001.

**Directors' Statement**

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 for that year. 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 financial statements;

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 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 on the ordinary activities of the company before taxation amounted to £340,740. After deducting taxation and dividends, the profit of £124,570 has been transferred to reserves.

The directors recommend final dividends amounting to £138,661.

**Principal Activity and Business Review**

During the year the company purchased the fashion retailers known as Bobby's. The principal activities of the company were those of trading as furniture retailers, funeral directors, fashion retailers and warehouse storage operatives.

The company has traded satisfactorily during the year. The directors are optimistic that further growth in turnover or profits can be achieved during the next financial year particularly in the fashion retailing division of the company.

**Directors and their Interests**

The directors who served during the year and their beneficial interests in the share capital of the company were as follows:

|              | <b>Ordinary shares of £1 each</b> |        |
|--------------|-----------------------------------|--------|
|              | 2001                              | 2000   |
|              | No.                               | No.    |
| N A Reynolds | 10,959                            | 10,959 |
| D J Reynolds | 10,534                            | 10,534 |
| J B Reynolds | 10,534                            | 10,534 |
| S J Reynolds | 10,534                            | 10,534 |

**Auditors**

The Auditors, Hunt and Partners Chartered Accountants, have indicated that they are willing to be reappointed at the forthcoming Annual General Meeting.

By Order of the Board:

Mrs J A M Reynolds, Secretary

*J Reynolds*

14th June 2001

**on the Financial Statements for the year ended 28th February 2001**

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We have audited the financial statements on pages 4 to 17, which have been prepared under the historical cost convention and the accounting policies set out on page 7.

**Respective responsibilities of the directors and auditors**

As described on page 1 the company's directors are responsible for the preparation of the 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.

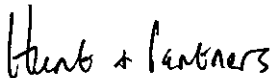
**Basis of opinion**

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 information and explanations which we consider 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, other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the 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 as at 28th February 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Hunt and Partners  
Chartered Accountants  
and Registered Auditors**

Metro House  
Northgate  
Chichester  
West Sussex  
PO19 1SD

**14th June 2001**

**Reynolds and Co (Furnishers) Limited****Profit and Loss Account****for the year ended 28th February 2001**

|  | <b>Notes</b> | <b>2001<br/>£</b> | <b>2000<br/>£</b> |
|--|--------------|-------------------|-------------------|
| <b>Turnover</b>                                      | 2            | 3,897,208         | 3,214,685         |
| Cost of sales  |              | (2,193,335)       | (1,797,513)       |
| <b>Gross profit</b>                                  |              | 1,703,873         | 1,417,172         |
| Administrative expenses                              |              | (1,372,204)       | (1,275,839)       |
| Other operating income                               | 3            | 44,971            | 39,434            |
| <b>Operating profit</b>                              | 4            | 376,640           | 180,767           |
| Interest receivable                                  | 7            | 3,613             | 2,663             |
| Interest payable                                     | 8            | (39,513)          | (49,254)          |
| <b>Profit on ordinary activities before Taxation</b> |              | 340,740           | 134,176           |
| Tax on profit on ordinary activities                 | 9            | (77,509)          | (25,387)          |
| <b>Profit on ordinary activities after Taxation</b>  |              | 263,231           | 108,789           |
| Dividends  | 10           | (138,661)         | (42,661)          |
| <b>Retained profit transferred to reserves</b>       | 22           | 124,570           | 66,128            |

*All amounts relate to continuing activities.*

*There have been no recognised gains or losses, other than the results for the financial year, and all profits or losses have been accounted for on an historical cost basis.*

# Reynolds and Co (Furnishers) Limited

## Balance Sheet

as at 28th February 2001

|  | Notes | 2001<br>£          | 2001<br>£        | 2000<br>£        | 2000<br>£        |
|--|-------|--------------------|------------------|------------------|------------------|
| <b>Fixed Assets</b>                          |       |                    |                  |                  |                  |
| Intangible fixed assets                      | 12    |                    | 96,110           |                  | -                |
| Tangible fixed assets                        | 13    |                    | 1,316,474        |                  | 1,311,974        |
|  |       |                    | <u>1,412,584</u> |                  | <u>1,311,974</u> |
| <b>Current Assets</b>                        |       |                    |                  |                  |                  |
| Stock  | 14    | 440,421            |                  | 232,986          |                  |
| Debtors                                      | 15    | 467,585            |                  | 365,164          |                  |
| Cash at bank and in hand                     |       | 237,893            |                  | 86,975           |                  |
|  |       | <u>1,145,899</u>   |                  | <u>685,125</u>   |                  |
| <b>Creditors:</b>                            |       |                    |                  |                  |                  |
| Amounts falling due within one year          | 16    | <u>(1,052,534)</u> |                  | <u>(723,155)</u> |                  |
| <b>Net Current Assets/(Liabilities)</b>      |       |                    | <u>93,365</u>    |                  | <u>(38,030)</u>  |
| <b>Total Assets Less Current Liabilities</b> |       |                    | <u>1,505,949</u> |                  | <u>1,273,944</u> |
| <b>Creditors:</b>                            |       |                    |                  |                  |                  |
| Amounts falling due after more than one year | 18    |                    | (599,781)        |                  | (501,152)        |
| <b>Provision for Liabilities and Charges</b> |       |                    |                  |                  |                  |
| Deferred taxation                            | 20    |                    | <u>(72,228)</u>  |                  | <u>(63,422)</u>  |
| <b>Net Assets</b>                            |       |                    | <u>833,940</u>   |                  | <u>709,370</u>   |
| <b>Capital and Reserves</b>                  |       |                    |                  |                  |                  |
| Share capital                                | 21    |                    | 42,661           |                  | 42,661           |
| Capital redemption reserve                   | 22    |                    | 42,339           |                  | 42,339           |
| Profit and loss account                      | 22    |                    | 748,940          |                  | 624,370          |
| Equity Shareholders' Funds                   | 23    |                    | <u>833,940</u>   |                  | <u>709,370</u>   |

These accounts were approved by the board on 14th June 2001.

N A Reynolds

*N A Reynolds*

D J Reynolds

*D J Reynolds*

Directors



**Reynolds and Co (Furnishers) Limited****Cash Flow Statement****for the year ended 28th February 2001**

|  | <b>Notes</b> | <b>2001<br/>£</b> | <b>2000<br/>£</b> |
|--|--------------|-------------------|-------------------|
| <b>Cash Flow from Operating Activities</b>                         | 26           | 232,253           | 121,618           |
| <b>Returns on Investments and Servicing of Finance</b>             | 24           | (35,900)          | (46,591)          |
| <b>Taxation</b>  |              | (25,522)          | (23,210)          |
| <b>Capital Expenditure and Financial Investment</b>                | 24           | (120,827)         | (66,415)          |
| <b>Equity Dividends paid</b>                                       |              | (42,661)          | (42,661)          |
| Cash inflow/(outflow) before use of liquid resources and financing |              | 7,343             | (57,259)          |
| <b>Financing</b>   | 24           | 143,575           | (10,178)          |
| <b>Increase/(Decrease) in Cash in the year</b>                     | 25           | 150,918           | (67,437)          |

**Reconciliation of Net Cash Flow to movement in Net Debt**

|  |    |           |           |
|--|----|-----------|-----------|
| <b>Increase/(Decrease) in Cash in the year</b>                         |    | 150,918   | (67,437)  |
| Cash inflow/outflow from increase/decrease in debt and lease financing | 25 | (143,575) | 10,178    |
| Change in net debt resulting from cashflows                            |    | 7,343     | (57,259)  |
| New finance leases   | 25 | (26,250)  | (30,150)  |
| <b>Movement in Net Debt in the period</b>                              |    | (18,907)  | (87,409)  |
| <b>Net Debt at 29th February 2000</b>                                  |    | (429,386) | (341,976) |
| <b>Net Debt at 28th February 2001</b>                                  | 25 | (448,293) | (429,385) |

**1 Principal Accounting Policies**

***Accounting Convention***

The financial statements have been prepared under the historical cost convention.

***Turnover***

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

***Depreciation***

Depreciation is calculated to write down the cost, less estimated residual value, of all tangible fixed assets, other than freehold land, over their expected useful lives. The rates generally applicable are:

|                              |  |
|------------------------------|--|
| Freehold land and buildings  | not depreciated                            |
| Leasehold land and buildings | straight line over the period of the lease |
| Plant and equipment          | 25% reducing balance basis                 |
| Motor vehicles               | 25% reducing balance basis                 |

***Goodwill***

Purchased goodwill is amortised on a straight-line basis over its estimated useful economic life of 10 years as shown in the note to intangible fixed assets.

***Stocks***

Stocks are stated at the lower of cost and net realisable value. Cost is computed on a first in first out basis. The cost of work in progress and finished goods includes all production overheads and depreciation and the attributable proportion of indirect overheads based on the normal level of activity. Net realisable value is based on estimated selling price less the estimated cost of disposal.

***Deferred Taxation***

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

Debit balances arising in respect of advanced corporation tax on dividends payable or proposed are carried forward to the extent that they are expected to be recoverable.

***Contribution to Pension Funds***

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

***Leased Assets***

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

**Reynolds and Co (Furnishers) Limited****Notes to the Financial Statements****for the year ended 28th February 2001****2 Turnover**

The turnover and operating profit for the year was derived from the company's principal activity and was carried out wholly in the UK.

**3 Other Operating Income**

|                        | <b>2001</b>   | <b>2000</b>   |
|------------------------|---------------|---------------|
|                        | <b>£</b>      | <b>£</b>      |
| Rental income          | 22,467        | 23,006        |
| Other operating income | 22,504        | 16,428        |
|                        | <u>44,971</u> | <u>39,434</u> |

**4 Operating Profit**

The operating profit is stated after charging or crediting:

|   | <b>2001</b>    | <b>2000</b> |
|---|----------------|-------------|
|   | <b>£</b>       | <b>£</b>    |
| Other operating lease rentals   | 36,322         | 18,855      |
| Amounts payable to the auditors in respect of audit services              | 35,731         | 32,283      |
| Depreciation - owned assets   | 42,147         | 37,169      |
| Depreciation - assets held under hire purchase or finance lease contracts | 3,782          | 8,627       |
| Amortisation of intangible assets   | 3,890          | -           |
| (Profit) on disposal of fixed assets                                      | <u>(3,351)</u> | <u>-</u>    |

**5 Directors and Employees**

Staff costs during the year were as follows:

|                       | <b>2001</b>    | <b>2000</b>    |
|-----------------------|----------------|----------------|
|                       | <b>£</b>       | <b>£</b>       |
| Wages and salaries    | 588,569        | 586,715        |
| Social security costs | 48,964         | 60,036         |
| Other pension costs   | 64,508         | 60,812         |
|                       | <u>702,041</u> | <u>707,563</u> |

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

|                          | <b>2001</b>   | <b>2000</b>   |
|--------------------------|---------------|---------------|
|                          | <b>Number</b> | <b>Number</b> |
| Administration           | 12            | 11            |
| Management               | 4             | 4             |
| Selling and distribution | 26            | 17            |
|                          | <u>42</u>     | <u>32</u>     |

**Reynolds and Co (Furnishers) Limited****Notes to the Financial Statements****for the year ended 28th February 2001**

Remuneration in respect of directors was as follows:

|   | <b>2001</b>    | <b>2000</b>    |
|---|----------------|----------------|
|   | <b>£</b>       | <b>£</b>       |
| Aggregate amount of emoluments paid in respect of qualifying services | <u>108,464</u> | <u>210,464</u> |

Other directors disclosures in respect of qualifying services:

|  | <b>2001</b>   | <b>2000</b>   |
|--|---------------|---------------|
|  | <b>Number</b> | <b>Number</b> |
| The number of directors to whom retirement benefits are accruing under defined benefit pension schemes | <u>4</u>      | <u>4</u>      |

|          |                             |              |              |
|----------|-----------------------------|--------------|--------------|
| <b>7</b> | <b>Interest Receivable</b>  | <b>2001</b>  | <b>2000</b>  |
|          |                             | <b>£</b>     | <b>£</b>     |
|          | Deposit interest receivable | <u>3,613</u> | <u>2,663</u> |

|          |  |               |               |
|----------|--|---------------|---------------|
| <b>8</b> | <b>Interest Payable</b>                  | <b>2001</b>   | <b>2000</b>   |
|          |  | <b>£</b>      | <b>£</b>      |
|          | Bank loans and overdrafts                | 8,308         | 1,709         |
|          | Hire purchase and finance lease interest | 1,296         | 796           |
|          | Loans of any other kind                  | 29,909        | 46,749        |
|          |  | <u>39,513</u> | <u>49,254</u> |

|          |   |               |               |
|----------|---|---------------|---------------|
| <b>9</b> | <b>Tax on Profit on Ordinary Activities</b> | <b>2001</b>   | <b>2000</b>   |
|          |   | <b>£</b>      | <b>£</b>      |
|          | <b>Based on the profit for the year:</b>    |               |               |
|          | U.K. Corporation tax at 21% (2000 20%)      | 68,703        | 25,559        |
|          | Deferred tax charge                         | 8,806         | (172)         |
|          |   | <u>77,509</u> | <u>25,387</u> |

|           |  |                |               |
|-----------|--|----------------|---------------|
| <b>10</b> | <b>Dividends</b>   | <b>2001</b>    | <b>2000</b>   |
|           |  | <b>£</b>       | <b>£</b>      |
|           | <b>Equity</b>  |                |               |
|           | Ordinary shares - final proposed of £3.25 per share (2000 £1.00) | <u>138,661</u> | <u>42,661</u> |

**11 Pensions - Defined Contribution Scheme and Defined Benefit Scheme**

The company operates a defined benefit pension scheme for the benefit of the directors and certain employees. The assets of the scheme are administered by trustees in a fund independent from those of the company. The pension cost charge includes contributions payable by the company to this scheme and amounted to £49,950 (2000 - £50,400).

The last actuarial valuation was carried out as at 28th February 1999. The actuarial method used was to value both the member's retirement benefits and the total assets and apportion the assets between the members. For each member, the value of his/her portion of the assets was then deducted from the value of his/her benefits. The balance represents the unfunded liability and this was converted into a future rate of contribution.

The main actuarial assumptions were:

- (i) Members pensionable earnings will increase at the rate of 8.5% p.a. compound up to normal retirement age.
- (ii) Pensions payable after a members retirement can be purchased on annuity rates based on 9% interest and current annuitants' mortality based on PA90 tables rated down 1 year.
- (iii) The Retail Price Index is assumed to increase at 7%p.a. compound.

The market value of the Scheme's assets at the valuation date was £1,608,164.

The company also operates a defined contribution pension scheme for the benefit of the employees. The assets of this scheme are also administered by trustees in a fund independent from those of the company. The pension cost charge represents contributions payable by the company to the fund and amounted to £14,558 (2000 - £10,412).

**12 Intangible Fixed Assets**

|                          | <b>Goodwill</b> |
|--------------------------|-----------------|
|                          | <b>£</b>        |
| <b>Cost</b>              |                 |
| Increase during the year | 100,000         |
| At 28th February 2001    | <u>100,000</u>  |
| <b>Amortisation</b>      |                 |
| Provided during the year | 3,890           |
| At 28th February 2001    | <u>3,890</u>    |
| <b>Net Book Value</b>    |                 |
| At 28th February 2001    | <u>96,110</u>   |

**Reynolds and Co (Furnishers) Limited**

**Notes to the Financial Statements**

**for the year ended 28th February 2001**

**13 Tangible Fixed Assets**

|   | <b>Freehold<br/>land and<br/>buildings</b> | <b>Leasehold<br/>land and<br/>buildings</b> | <b>Plant and<br/>equipment</b> | <b>Motor<br/>vehicles</b> | <b>Total</b>     |
|---|--|---|--------------------------------|---------------------------|------------------|
| <b>Cost</b>                                       | <b>£</b>                                   | <b>£</b>                                    | <b>£</b>                       | <b>£</b>                  | <b>£</b>         |
| At 29th February 2000                             | 1,137,425                                  | 81,023                                      | 433,431                        | 342,651                   | 1,994,530        |
| Additions   | -  | -   | 45,496                         | 29,750                    | 75,246           |
| Disposals   | -  | -   | -                              | (59,505)                  | (59,505)         |
| At 28th February 2001                             | <u>1,137,425</u>                           | <u>81,023</u>                               | <u>478,927</u>                 | <u>312,896</u>            | <u>2,010,271</u> |
| <b>Depreciation</b>                               |  |   |                                |                           |                  |
| At 29th February 2000                             | -  | 42,414                                      | 357,482                        | 282,660                   | 682,556          |
| Charged for the year                              | -  | 3,254                                       | 30,362                         | 12,312                    | 45,928           |
| Eliminated on disposal                            | -  | -   | -                              | (34,687)                  | (34,687)         |
| At 28th February 2001                             | <u>-</u>                                   | <u>45,668</u>                               | <u>387,844</u>                 | <u>260,285</u>            | <u>693,797</u>   |
| <b>Net Book Value</b>                             |  |   |                                |                           |                  |
| Owned assets                                      | 1,137,425                                  | 35,355                                      | 91,083                         | 26,908                    | 1,290,771        |
| Assets held under hire purchase and finance lease | -  | -   | -                              | 25,703                    | 25,703           |
| At 28th February 2001                             | <u>1,137,425</u>                           | <u>35,355</u>                               | <u>91,083</u>                  | <u>52,611</u>             | <u>1,316,474</u> |
| Owned assets                                      | 1,137,425                                  | 38,609                                      | 75,949                         | 34,109                    | 1,286,092        |
| Leased assets                                     | -  | -   | -                              | 25,882                    | 25,882           |
| At 28th February 2000                             | <u>1,137,425</u>                           | <u>38,609</u>                               | <u>75,949</u>                  | <u>59,991</u>             | <u>1,311,974</u> |

**Analysis of Leasehold land and buildings**

|   | <b>2001</b>   | <b>2000</b>   |
|---|---------------|---------------|
|   | <b>£</b>      | <b>£</b>      |
| Short leaseholds net book value             | 35,355        | 38,609        |
| Leasehold land and buildings net book value | <u>35,355</u> | <u>38,609</u> |

The directors have carried out an impairment review of the company's freehold buildings at the end of the financial year. The net realisable values of the buildings significantly exceed their carrying values and their useful lives exceed 50 years. No depreciation has therefore been charged on these buildings.

**14 Stocks**

|                | <b>2001</b>    | <b>2000</b>    |
|----------------|----------------|----------------|
|                | <b>£</b>       | <b>£</b>       |
| Finished goods | <u>440,421</u> | <u>232,986</u> |

# Reynolds and Co (Furnishers) Limited

## Notes to the Financial Statements

for the year ended 28th February 2001

|           |   |                  |                |
|-----------|---|------------------|----------------|
| <b>15</b> | <b>Debtors</b>  | <b>2001</b>      | <b>2000</b>    |
|           |   | <b>£</b>         | <b>£</b>       |
|           | Trade debtors   | 327,933          | 266,953        |
|           | Directors loan account  | 26,991           | -              |
|           | Other debtors   | 24,223           | 5,878          |
|           | Prepayments and accrued income                                  | 88,438           | 92,333         |
|           |   | <u>467,585</u>   | <u>365,164</u> |
| <br>      |   |                  |                |
| <b>16</b> | <b>Creditors: Amounts falling due within one year</b>           | <b>2001</b>      | <b>2000</b>    |
|           |   | <b>£</b>         | <b>£</b>       |
|           | Loans   | 10,988           | -              |
|           | Bank loans and overdrafts                                       | 69,031           | 5,208          |
|           | Net obligations under hire purchase and finance lease contracts | 6,386            | 10,000         |
|           | Trade creditors   | 549,949          | 416,534        |
|           | Corporation tax   | 68,740           | 25,559         |
|           | Other taxes and social security                                 | 96,497           | 90,995         |
|           | Proposed dividends  | 138,661          | 42,661         |
|           | Directors' loan account   | 1,015            | 41,906         |
|           | Other creditors   | 55,722           | 70,901         |
|           | Accruals and deferred income                                    | 55,545           | 19,391         |
|           |   | <u>1,052,534</u> | <u>723,155</u> |

The bank loans are secured by legal mortgages over the freehold property at 58/60 Longford Road Bognor Regis, 31 High Street Bognor Regis, 27/29 High Street Bognor Regis and a fixed and floating charge over all current and future assets of the company.

Obligations under hire purchase and finance lease contracts are secured on the assets concerned.

|           |   |               |               |
|-----------|---|---------------|---------------|
| <b>17</b> | <b>Obligations Under Hire Purchase and Finance Lease</b>                              | <b>2001</b>   | <b>2000</b>   |
|           |   | <b>£</b>      | <b>£</b>      |
|           | Obligations under finance leases and hire purchase contracts are analysed as follows: |               |               |
|           | Within one year   | 6,386         | 10,000        |
|           | Between one and two years   | 6,386         | 10,000        |
|           | Between two and five years  | 19,332        | 5,000         |
|           |   | <u>32,104</u> | <u>25,000</u> |

Obligations under finance leases and hire purchase contracts are secured on the assets concerned.

# Reynolds and Co (Furnishers) Limited

## Notes to the Financial Statements

for the year ended 28th February 2001

|           |   |                |                |
|-----------|---|----------------|----------------|
| <b>18</b> | <b>Creditors: Amounts falling due after more than one year</b>  | <b>2001</b>    | <b>2000</b>    |
|           |   | <b>£</b>       | <b>£</b>       |
|           | Other loans   | 110,859        | 475,000        |
|           | Bank loans  | 469,590        | 11,152         |
|           | Net obligations under hire purchase and finance lease contracts | 19,332         | 15,000         |
|           |   | <u>599,781</u> | <u>501,152</u> |

The bank loans are secured by legal mortgages over the freehold property at 58/60 Longford Road Bognor Regis, 31 High Street Bognor Regis, 27/29 High Street Bognor Regis and a fixed and floating charge over all current and future assets of the company.

Other loans are secured by a floating charge over the assets of the Company.

|   |                |               |
|---|----------------|---------------|
| Bank loans repayable by instalments are as follows:-  | <b>2001</b>    | <b>2000</b>   |
|   | <b>£</b>       | <b>£</b>      |
| In more than one year but not more than two years     | 68,707         | 5,100         |
| In more than two years but not more than five years   | 190,080        | 6,052         |
|   | <u>258,787</u> | <u>11,152</u> |
| In one year or less, or on demand                     | 69,032         | 5,208         |
|   | <u>327,819</u> | <u>16,360</u> |
| Total bank loans repayable after more than five years | 210,803        | -             |
| <b>Total bank loan repayments</b>                     | <u>538,622</u> | <u>16,360</u> |

|  |                |                |
|--|----------------|----------------|
| Other loans not repayable by instalments, repayable as follows:- |                |                |
| In more than one year but not more than two years                | 10,988         | -              |
| In more than two years but not more than five years              | 32,963         | 475,000        |
|  | <u>43,951</u>  | <u>475,000</u> |
| In one year or less, or on demand                                | 10,988         | -              |
|  | <u>54,939</u>  | <u>475,000</u> |
| Total other loans repayable after more than five years           | 66,909         | -              |
| <b>Total other loan repayments</b>                               | <u>121,848</u> | <u>475,000</u> |

The loan from Reynolds & Co (Furnishers) Limited Directors Pension Scheme is repayable by February 2010.

Obligations under hire purchase and finance lease contracts are secured on the assets concerned.



# Reynolds and Co (Furnishers) Limited

## Notes to the Financial Statements

for the year ended 28th February 2001

### 19 Operating Lease Commitments

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the next financial year:

|                          | 2001<br>Land and<br>buildings<br>£ | 2000<br>Land and<br>buildings<br>£ |
|--------------------------|------------------------------------|------------------------------------|
| Expiring:                |                                    |                                    |
| Within one year          | 79,850                             | 13,500                             |
| Within two to five years | 307,400                            | 54,000                             |
| After five years         | 479,100                            | 94,500                             |
|                          | <u>866,350</u>                     | <u>162,000</u>                     |

### 20 Deferred Taxation

Deferred taxation provided and unprovided for in the financial statements is set out below. The amount unprovided represents a contingent liability at the Balance Sheet date and is calculated using a tax rate of 20%.

|                                | Amount Provided<br>2001<br>£ | 2000<br>£     |
|--------------------------------|------------------------------|---------------|
| Accelerated capital allowances | 59,259                       | 50,453        |
|                                | <u>59,259</u>                | <u>50,453</u> |
| Capital gains rolled over      | 12,969                       | 12,969        |
|                                | <u>12,969</u>                | <u>12,969</u> |

### 21 Share Capital

| Authorised                                       | 2001<br>£     | 2000<br>£     |
|--|---------------|---------------|
| 85,000 Ordinary shares of £1 each (2000: 85,000) | 85,000        | 85,000        |
|  | <u>85,000</u> | <u>85,000</u> |
| Allotted, called up and fully paid               | 2001<br>£     | 2000<br>£     |
| 42,661 Ordinary shares of £1 each (2000: 42,661) | 42,661        | 42,661        |
|  | <u>42,661</u> | <u>42,661</u> |

22 Reserves

|                       | Capital<br>Redemption<br>Reserve<br>£ | Profit and<br>Loss<br>Account<br>£ |
|-----------------------|---------------------------------------|------------------------------------|
| At 29th February 2000 | 42,339                                | 624,370                            |
| Profit for the year   | -                                     | 124,570                            |
| At 28th February 2001 | 42,339                                | 748,940                            |

23 Reconciliation of the Movement in Shareholders' Funds

|                                 | 2001<br>£ | 2000<br>£ |
|---------------------------------|-----------|-----------|
| Profit for the financial year   | 263,231   | 108,789   |
| Dividends                       | (138,661) | (42,661)  |
|                                 | 124,570   | 66,128    |
| Increase in shareholders' funds | 124,570   | 66,128    |
| Opening shareholders' funds     | 709,370   | 643,242   |
| Closing shareholders' funds     | 833,940   | 709,370   |

24 Analysis of Cash Flows for Headings Netted in the Cash Flow Statement

Returns on Investments and Servicing of Finance

|  | 2001<br>£ | 2000<br>£ |
|--|-----------|-----------|
| Interest received  | 3,613     | 2,663     |
| Interest paid  | (38,217)  | (48,458)  |
| Interest element of finance lease rental payments                      | (1,296)   | (796)     |
| Net Cash (Outflow) for Returns on Investments and Servicing of Finance | (35,900)  | (46,591)  |

Capital Expenditure and Financial Investment

|   | 2001<br>£ | 2000<br>£ |
|---|-----------|-----------|
| Purchase of intangible fixed assets                                 | (100,000) | -         |
| Purchase of tangible fixed assets                                   | (48,996)  | (66,415)  |
| Proceeds from the sale of fixed assets                              | 28,169    | -         |
| Net Cash (Outflow) for Capital Expenditure and Financial Investment | (120,827) | (66,415)  |

Financing

|   | 2001<br>£ | 2000<br>£ |
|---|-----------|-----------|
| Debt due within a year: increase in short-term borrowings | 92,231    | -         |
| Debt due within a year: repayments made                   | (17,421)  | (5,028)   |
| Debt due beyond a year: new loans                         | 458,438   | -         |
| Debt due beyond a year: repayments made                   | (364,141) | -         |
| Capital elements of finance lease rental payments         | (25,532)  | (5,150)   |
| Net Cash Inflow/(Outflow) from Financing                  | 143,575   | (10,178)  |

# Reynolds and Co (Furnishers) Limited

## Notes to the Financial Statements

for the year ended 28th February 2001

### 25 Analysis of Changes in Net Debt

|                          | At<br>29th<br>February<br>2000<br>£ | Cash flows<br>£ | Other<br>non-cash<br>changes<br>£ | At<br>28th<br>February<br>2001<br>£ |
|--------------------------|-------------------------------------|-----------------|-----------------------------------|-------------------------------------|
| Cash in hand and at bank | 86,975                              | 150,918         | -                                 | 237,893                             |
| Debt due within one year | (5,209)                             | (74,810)        | -                                 | (80,019)                            |
| Debt due after one year  | (486,152)                           | (94,297)        | -                                 | (580,449)                           |
| Finance leases           | (25,000)                            | 25,532          | (26,250)                          | (25,718)                            |
| Total                    | (429,386)                           | 7,343           | (26,250)                          | (448,293)                           |

### 26 Reconciliation of Operating Profit to Operating Cash Flows

|   | 2001<br>£ | 2000<br>£ |
|---|-----------|-----------|
| Operating profit                          | 376,640   | 180,767   |
| Depreciation and amortisation charges     | 49,819    | 45,796    |
| (Profit) on disposal of fixed assets      | (3,351)   | -         |
| (Increase) in stocks                      | (207,435) | (10,798)  |
| (Increase) in debtors                     | (102,421) | (73,445)  |
| Increase/(Decrease) in creditors          | 119,001   | (20,702)  |
| Net Cash Inflow from Operating Activities | 232,253   | 121,618   |

### 27 Pre-arranged funerals

Reynolds and Co (Furnishers) Limited market pre-arranged funeral plans to members of the public. All members' payments are held by Reynolds and Co (Furnishers) Funeral Trust and are not included in the company's results or balance sheet. At 28th February 2001 the cumulative value of current plans was £333,041 (2000: £288,110)

### 28 Related Party Transactions

Details of related party transactions occurring during the year are as follows:

| Name of Related Party                  | Nature of Relationship   | Transaction Details | Amount<br>£ | Balance<br>£ |
|--|--------------------------|---------------------|-------------|--------------|
| Reynolds & Co Directors Pension Scheme | Directors Pension Scheme | Rent Payments       | 35,617      | -            |
| Reynolds & Co Directors Pension Scheme | Directors Pension Scheme | Loan Interest Paid  | 29,909      | (110,859)    |

Control relationship

Control of the company is with the Reynolds family who own all of the share capital in issue.

**29 Transactions With Directors**

Included in other debtors/(creditors) are loans to/(from) the directors as follows:

|              | Amounts outstanding |                 |
|--------------|---------------------|-----------------|
|              | 2001                | 2000            |
|              | £                   | £               |
| N A Reynolds | 2,271               | (1,764)         |
| D J Reynolds | 24,043              | (8,495)         |
| J B Reynolds | 677                 | (3,423)         |
| S J Reynolds | (1,015)             | (28,224)        |
|              | <u>25,976</u>       | <u>(41,906)</u> |

Maximum liabilities in the year amounted to:

|              | £             |
|--------------|---------------|
| N A Reynolds | 2,271         |
| D J Reynolds | 24,043        |
| J B Reynolds | 677           |
| S J Reynolds | (1,015)       |
|              | <u>25,976</u> |

**30 Major Non-Cash Transactions**

During the year the company entered into finance lease arrangements in respect of assets with a total capital value at the inception of the leases of £26,250.