

COMPANY REGISTRATION NUMBER 00461520

Reynolds Limited
Financial Statements
For the Year Ended
28 February 2007



Reynolds Limited

Financial Statements

Year Ended 28 February 2007

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Reynolds Limited

Officers and Professional Advisers

The Board of Directors

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

Company Secretary

Mrs J A M Reynolds

Registered Office

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

Accountants

HWCA Limited
Chartered Accountants
& Registered Auditors
Cawley Priory
South Pallant
Chichester
West Sussex
PO19 1SY

Bankers

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

Reynolds Limited

Directors' Report

Year Ended 28 February 2007

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 28 February 2007

Principal Activities and Review of the Business

The principal activities of the company during the year were those of trading as furniture retailers, funeral directors and warehouse storage operatives

The company has traded satisfactorily during the year

Results and Dividends

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements

The directors recommended a final dividend of £1 90 per ordinary share (2006 £1 90)

Charitable Donations

During the year the company made charitable donations of £7,689. All donations were for local charities apart from a single donation to a director for long service.

The Directors and their interests in the Shares of the Company

The directors who served the company during the year together with their beneficial interests, including family holdings, in the shares of the company were as follows

	Ordinary Shares of £1 each	
	at	at
	28 February 2007	1 March 2006
N A Reynolds	525	525
D J Reynolds	10,534	10,534
J B Reynolds	10,534	10,534
S J Reynolds	10,534	10,534
M N Reynolds	10,534	10,534
	<u> </u>	<u> </u>

Auditors

The auditors, HWCA Limited, are deemed to be re-appointed in accordance with section 386 of the Companies Act 1985

Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

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 at the end of the year and of the profit or loss for the year then ended. In preparing those financial statements, the directors are required to

select suitable accounting policies, as described on pages 8 to 9, and then apply them consistently,

make judgements and estimates that are reasonable and prudent, and

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

Reynolds Limited

Directors' Report (continued)

Year Ended 28 February 2007

comply with the Companies Act 1985. The directors 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.

Statement of disclosure to auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

Small company provisions

The directors' report is prepared in accordance with special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed by order of the directors



Mrs J A M Reynolds
Company Secretary

Approved by the directors on 16 October 2007

Reynolds Limited

Independent Auditor's Report

Year Ended 28 February 2007

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REYNOLDS LIMITED

We have audited the financial statements of Reynolds Limited for the year ended 28 February 2007 set out on pages 6 to 19. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standards for Smaller Entities.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our work has been undertaken so that we might state to the company's members 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 members 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 on page 2, the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements. In addition we report to you if, in our opinion, 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 International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes an 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.

Reynolds Limited

Independent Auditor's Report

Year Ended 28 February 2007

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 28 February 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

HWCA Limited

HWCA Limited

Chartered Accountants and
Registered Auditors

Cawley Priory

South Pallant

Chichester

West Sussex

PO19 1SY

Date *16 October 2007*

Reynolds Limited

Profit and Loss Account

Year Ended 28 February 2007

		2007	2006
Turnover	Note 1	3,732,404	3,590,191
Cost of Sales	2	<u>(1,751,276)</u>	<u>(1,761,191)</u>
Gross Profit		1,981,128	1,829,000
Net Operating expenses		<u>(1,578,525)</u>	<u>(1,591,986)</u>
Operating Profit	4	402,603	237,014
Interest receivable	7	6,740	4,868
Interest payable	8	<u>(44,502)</u>	<u>(70,089)</u>
Profit on Ordinary Activities before taxation		364,841	171,793
Tax on profit on ordinary activities	9	<u>(74,789)</u>	<u>(27,376)</u>
Profit on Ordinary Activities after taxation		290,052	144,417

The company has no recognised gains or losses other than the results for the year as set out above

Reconciliation of Movements in Shareholders Funds

	£	£	£	£
Profit for the financial year		290,052		144,417
Dividends		<u>(121,541)</u>		<u>(47,454)</u>
Net addition to funds		168,511		96,963
Opening shareholders' equity funds				
Originally stated	1,015,602		871,185	
Adjustment	<u>-</u>		<u>47,454</u>	
		<u>1,015,602</u>		<u>918,639</u>
Closing shareholders' equity funds		<u>1,184,113</u>		<u>1,015,602</u>

Reynolds Limited

Balance Sheet

Year Ended 28 February 2007

		£	2007 £	£	2006 £
	Note				
Fixed Assets					
Tangible assets	11		2,177,037		1,739,381
Investments	12		100,000		-
			<u>2,277,037</u>		<u>1,739,381</u>
Current Assets					
Stocks	13	409,840		350,519	
Debtors	14	262,280		267,296	
Cash at bank and in hand		283,961		151,667	
		<u>956,081</u>		<u>769,482</u>	
Creditors : Amounts Falling Due Within One Year	15	<u>(1,083,742)</u>		<u>(721,561)</u>	
Net Current Liabilities / Assets			<u>(127,661)</u>		<u>47,921</u>
Total Assets Less Current Liabilities			<u>2,149,376</u>		<u>1,787,302</u>
Creditors : Amounts Falling Due After More Than One Year	16		<u>(926,647)</u>		<u>(733,084)</u>
			<u>1,222,729</u>		<u>1,054,218</u>
Provision For Liabilities and Charges					
Deferred taxation	19		<u>(38,616)</u>		<u>(38,616)</u>
			<u>1,184,113</u>		<u>1,015,602</u>
Capital and Reserves					
Called-up equity share capital	23		42,661		42,661
Other reserves	24		42,339		42,339
Profit and loss account	25		<u>1,099,113</u>		<u>930,602</u>
Shareholders' funds			<u>1,184,113</u>		<u>1,015,602</u>

For the financial year ended 28 February 2007, the company was entitled to exemption from audit under s 249A(1) Companies Act 1985, and no notice has been deposited under s 249B(2). The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with s 221 and preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the year and of its profit for the financial year in accordance with the requirements of s 226 and which otherwise comply with the requirements of the Companies Act 1985, so far as applicable to the company.

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and the Financial Reporting Standard for Smaller Entities (effective January 2005).

These financial statements were approved by the directors and authorised for issue on the 16 October 2007 and are signed on their behalf by

N. A. Reynolds

N A Reynolds

M N Reynolds

M N Reynolds

The notes on page 8 to 19 form part of these financial statements

Reynolds Limited

Notes to the Financial Statements

Year Ended 28 February 2007

1. Accounting Policies

Basis of Accounting

The financial statements have been prepared under the historical cost convention

Cash Flow

These accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax, in the course of ordinary activities

Goodwill

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its estimated useful life up to a maximum of 20 years. This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this period. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

Amortisation

Amortisation 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:

Goodwill	- straight line over 10 years
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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:

Leasehold Property	- straight line over the period of the lease
Fixtures & Fittings	- 25% straight line or 20% straight line for shop refurbishment
Motor Vehicles	- 25% straight line
Leased Assets	- The shorter of the term of the lease and the useful economic life of the asset
Freehold Property	- not depreciated

Stocks

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

Reynolds Limited

Notes to the Financial Statements

Year Ended 28 February 2007

Hire Purchase Agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Finance Lease Agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

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.

Pension Costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

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.

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.

Reynolds Limited

Notes to the Financial Statements

Year Ended 28 February 2007

2. Analysis of Cost of Sales and Net Operating Expenses

	Total £
Year Ended 28 February 2007	
Cost of sales	<u>1,751,276</u>
Administrative expenses	1,663,241
Other operating income (Note 3)	<u>(84,716)</u>
Net operating expenses	<u>1,578,525</u>
Year Ended 28 February 2006	
Cost of sales	<u>1,761,191</u>
Administrative expenses	1,670,554
Other operating income (Note 3)	<u>(78,568)</u>
Net operating expenses	<u>1,591,986</u>

3. Other Operating Income

	2007 £	2006 £
Rent receivable	57,489	53,795
Other operating income	27,227	24,773
	<u>84,716</u>	<u>78,568</u>

4. Operating Profit

Operating profit is stated after charging

	2007 £	2006 £
Depreciation of owned fixed assets	81,788	64,619
Depreciation of assets held under hire purchase agreements	55,436	52,163
Loss on disposal of fixed assets	3,364	1,502
Operating lease costs		
Land and buildings	<u>13,500</u>	<u>18,877</u>

Reynolds Limited

Notes to the Financial Statements

Year Ended 28 February 2007

5. Particulars of employees

The average number of persons employed by the company (excluding directors) during the year was as follows

	2007 No.	2006 No.
All departments	<u>36</u>	<u>35</u>

The aggregate payroll costs of these persons were as follows

	2007 £	2006 £
Wages and salaries	622,680	646,360
Social security	84,961	58,165
Staff pension contributions	<u>22,502</u>	<u>18,596</u>
	<u>730,143</u>	<u>723,121</u>

6 Directors' Emoluments

The directors' aggregate emoluments in respect of qualifying services were

	2007 £	2006 £
Emoluments receivable	<u>219,465</u>	<u>231,822</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2007 £	2006 £
Money purchase schemes	<u>4</u>	<u>4</u>

7. Interest Receivable

	2007 £	2006 £
Bank interest receivable	<u>6,740</u>	<u>4,868</u>

8 Interest Payable and Similar Charges

	2007 £	2006 £
Interest payable on bank borrowing	30,010	58,252
Finance charges	11,694	11,837
Other similar charges payable	<u>2,798</u>	<u>-</u>
	<u>44,502</u>	<u>70,089</u>

Reynolds Limited

Notes to the Financial Statements

Year Ended 28 February 2007

9 Taxation on Ordinary Activities

Analysis of charge in the year

	2007 £	2006 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 30% (2006 – 19%)	84,485	15,825
Tax payable under s 419 ICTA 1988	-	515
Overprovision in previous years	(9,696)	
Total current tax	<u>74,789</u>	<u>16,340</u>
Deferred tax		
Origination and reversal of timing differences	-	11,036
Tax on profit on ordinary activities	<u>74,789</u>	<u>27,376</u>

10. Dividends

	2007 £	2006 £
Final Proposed - £1 90 per ordinary share (2006 - £1 90)	<u>81,013</u>	<u>81,013</u>

The above amounts are the dividends proposed but not approved at the balance sheet date

11. Tangible Fixed Assets

	Freehold Property £	Leasehold Property £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost					
At 1 March 2006	1,197,991	81,023	841,447	475,875	2,596,336
Additions	505,534	-	10,324	69,195	585,053
Disposals	-	-	-	(59,689)	(59,689)
At 28 February 2007	<u>1,703,525</u>	<u>81,023</u>	<u>851,771</u>	<u>485,381</u>	<u>3,121,700</u>
Depreciation					
At 1 March 2006	-	69,081	577,856	210,018	856,955
Charge for the year	-	6,823	67,808	62,593	137,224
on disposals	-	-	-	(49,516)	(49,516)
At 28 February 2007	<u>-</u>	<u>75,904</u>	<u>645,664</u>	<u>223,095</u>	<u>944,663</u>
Net Book Value					
At 28 February 2007	<u>1,703,525</u>	<u>5,119</u>	<u>206,107</u>	<u>262,287</u>	<u>2,177,037</u>
At 28 February 2006	<u>1,197,991</u>	<u>11,942</u>	<u>263,591</u>	<u>265,857</u>	<u>1,739,381</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 value of the buildings significantly exceed their carrying values and their estimated useful lives exceed 50 years. No depreciation has therefore been charged on these buildings.

Reynolds Limited

Notes to the Financial Statements

Year Ended 28 February 2007

The directors consider that the market value of the freehold land and buildings is in excess of the amount shown in the accounts but as these assets are used in the company's business and no disposals are envisaged, the excess is not quantified

Hire purchase agreements

Included within the net book value of £2,177,037 is £235,532 (2006 - £244,478) relating to assets held under hire purchase agreements, and £ nil (2006 - £5,373) relating to assets held under finance lease agreements. The depreciation charged in the year in respect of assets held under hire purchase agreements amounted to £55,436 (2006 - £58,997) and £784 (2006 - £1,791) in respect of assets held under finance lease agreements

12. Investments Held as Fixed Assets

	£
At 1 March 2006	-
Additions	100,000
Disposals	-
At 28 February 2007	<u>100,000</u>

The investment represents 100,000 pounds of 5 % Cranmore House Secured Debenture Stock of Associated Independent Stores Limited

13 Stocks

	2007 £	2006 £
Finished goods	<u>409,840</u>	<u>350,519</u>

14. Debtors

	2007 £	2006 £
Trade debtors	162,317	147,880
Other debtors	27,379	11,861
Directors current accounts	7,067	37,995
Prepayments and accrued income	65,517	69,560
	<u>262,280</u>	<u>267,296</u>

15 Creditors. Amounts Falling Due Within One Year

	2007 £	2006 £
Bank loans and overdrafts	118,938	113,461
Other loans	71,247	-
Trade creditors	641,609	424,961
Corporation tax	84,485	18,915
Other taxation and social security	37,375	34,506
Hire purchase agreements	50,095	43,316
Other creditors	7,134	20,206
Accruals and deferred income	72,859	66,196
	<u>1,083,742</u>	<u>721,561</u>

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

Reynolds Limited

Notes to the Financial Statements

Year Ended 28 February 2007

	2007 £	2006 £
Bank loans and overdrafts	118,938	113,461
Other loans	71,247	
	<u>190,185</u>	<u>113,461</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 legal mortgages over the freehold properties at 54-56 Longford Road, Bognor Regis, and 43, Spitalfield Lane, Chichester

Reynolds Limited

Notes to the Financial Statements

Year Ended 28 February 2007

16. Creditors: Amounts Falling due after More than One Year

	2007	2006
	£	£
Bank loans and overdrafts	447,794	568,238
Other loans	322,893	-
Hire purchase agreements	155,960	164,846
	<u>926,647</u>	<u>733,084</u>

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

	2007	2006
	£	£
Bank loans and overdrafts	447,794	568,238
Other loans	322,893	-
	<u>770,687</u>	<u>568,238</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

Other loans are secured by legal mortgages over the freehold properties at 54-56 Longford Road, Bognor Regis, and 43, Spitalfield Lane, Chichester

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date

	2007	2006
	£	£
Bank loans and overdrafts	-	103,058

The bank loan is repayable by instalments and is repayable by October 2010. Interest is charged at 1.6% above the bank's base rate.

17. Commitments under Hire Purchase Agreements

Future commitments under hire purchase agreements are as follows

	2006	2005
	£	£
Amounts payable within 1 year	50,095	43,316
Amounts payable between 1 and 5 years	155,960	152,215
Amounts payable greater than 5 years	-	12,631
	<u>206,055</u>	<u>208,162</u>

18. Pensions

The company operates a defined contribution pension scheme for the benefit of 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 to this scheme and amounted to £nil (2006 - (£ nil)).

Reynolds Limited

Notes to the Financial Statements

Year Ended 28 February 2007

The company also operates a defined contribution pension scheme for the benefit of the employees. The assets of the 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 £22,502 (2005 - £18,596).

Reynolds Limited

Notes to the Financial Statements

Year Ended 28 February 2007

19. Deferred Taxation

The movement in the deferred taxation account during the year was

	2007 £	2006 £
Balance brought forward	38,616	27,580
Profit and loss account movement arising during the year	-	11,036
Balance carried forward	<u>38,616</u>	<u>38,616</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

	2007 £	2006 £
Excess of taxation allowances over depreciation on fixed assets	25,647	25,647
Provision for deferred tax, capital gains rolled over	<u>12,969</u>	<u>12,969</u>
	<u>38,616</u>	<u>38,616</u>

20. Commitments under Operating Leases

At 28 February 2007 the company had annual commitments under non-cancellable operating leases as set out below

	Land & Buildings	
	2007 £	2006 £
Operating leases which expire		
Within 1 year	13,500	-
Within 2-5 years	<u>-</u>	<u>13,500</u>

21. Transactions with the Directors

Included in debtors are loans to the directors as follows

	2007 £	2006 £
N A Reynolds	6,194	3,056
D J Reynolds	-	411
J B Reynolds	-	30,024
S J Reynolds	873	1,921
M N Reynolds	-	2,583
	<u>7,067</u>	<u>37,995</u>

Reynolds Limited

Notes to the Financial Statements

Year Ended 28 February 2007

22. Related Party Transactions

The company was under the control of the Reynolds family who own all of the share capital in issue

Details of related party transactions during the year, all of which took place at commercial rates, are as follows

Rent payments of £13,500 were made during the year (2006 - £13,500) to the Directors Pension Scheme, there were no amounts outstanding at the year end

On the 31 October 2006 the Company entered into a loan agreement with the Directors Pension Scheme to borrow £150,000. The loan is repayable by 31 October 2011 and interest is calculated at 1.00% per annum above the bank's base rate. At the year end the loan outstanding was £144,140

On the 1 February 2007 the Company entered into a loan agreement with the Directors Pension Scheme to borrow £250,000. The loan is repayable by 1 February 2012 and interest is calculated at 1.00% per annum above the bank's base rate. At the year end the loan outstanding was £250,000

23. Share Capital

Authorised share capital:

	2007 £	2006 £
85,000 Ordinary shares of £1 each	<u>85,000</u>	<u>85,000</u>

Allotted, called up and fully paid

	2007		2006	
	No	£	No	£
Ordinary shares of £1 each	<u>42,661</u>	<u>42,661</u>	<u>42,661</u>	<u>42,661</u>

24. Other Reserves

	2007 £	2006 £
Capital redemption reserve	<u>42,339</u>	<u>42,339</u>

25. Profit and Loss Account

	2007 £	2006 £
Balance brought forward		
- originally stated	930,602	786,185
- adjustment	-	47,454
	<u>930,602</u>	<u>833,639</u>
Profit for the financial year	290,052	144,417
Dividends – last financial year	(121,541)	(47,454)
Balance carried forward	<u>1,099,113</u>	<u>930,602</u>

26. Pre-Arranged Funerals

Reynolds Limited markets pre-arranged funeral plans to members of the public. All members' payments are held by Reynolds & Co (Furnishers) Limited Funeral Trust and are not included in the

Reynolds Limited

Notes to the Financial Statements

Year Ended 28 February 2007

company's accounts or balance sheet At 28 February 2007 the cumulative value of current plans was £674,379 (2006 - £581,679) The company is required to make good any deficiency arising on an Actuarial review of the Funeral Trust fund During the year under review, the company contributed £22,530 towards the current deficiency

Reynolds Limited

Management Information

Year Ended 28 February 2007

The following pages do not form part of the statutory financial statements.

Reynolds Limited

Detailed Profit and Loss Account

Year Ended 28 February 2007

	2007		2006	
	No	£	No	£
Turnover		3,732,404		3,590,191
Cost of Sales				
Opening stock – finished goods	(350,519)		(265,176)	
Shop purchases	(1,659,731)		(1,688,638)	
Funeral expenses	(95,392)		(94,254)	
Masonry expenses	(32,944)		(40,085)	
Storage expenses	-		(3,283)	
Funeral non recoverable serenity costs	(22,530)		(20,274)	
	<u>2,161,116</u>		<u>(2,111,710)</u>	
Closing stock – finished goods	<u>409,840</u>		<u>350,519</u>	
		<u>(1,751,276)</u>		<u>(1,761,191)</u>
Gross Profit		1,981,128		1,829,000
Overheads		<u>(1,663,241)</u>		<u>(1,670,554)</u>
Administrative expenses		317,887		158,446
Other Operating Income		84,716		78,568
Operating Profit		<u>402,603</u>		<u>237,014</u>
Bank interest receivable		6,740		4,868
		<u>409,343</u>		<u>241,882</u>
Interest payable		(44,502)		(70,089)
Profit on Ordinary Activities		<u>364,841</u>		<u>171,793</u>

Reynolds Limited

Notes to the Detailed Profit and Loss Account

Year Ended 28 February 2007

	2007		2006	
	£	£	£	£
Administrative Expenses				
Personnel Costs				
Directors salaries	216,140		205,316	
Directors national insurance contributions	24,424		23,330	
Wages and salaries	579,563		606,130	
Staff bonus	40,765		30,000	
Employers national insurance contributions	84,961		58,165	
Staff pension contributions	22,502		18,596	
Temporary staff costs	2,371		10,230	
Training	1,000		4,993	
		971,726		956,760
Establishment Expenses				
Rent	13,500		18,877	
Rates and water	86,909		86,421	
Light and heat	35,058		19,923	
Insurance	39,251		47,196	
Repairs and maintenance	61,589		66,077	
		236,307		238,494
General Expenses				
Motor expenses	26,240		28,411	
Travel and subsistence	8,986		10,990	
Telephone	10,974		10,356	
Computer costs	41,662		27,788	
Printing, postage and stationery	18,964		16,009	
Staff welfare	14,242		11,555	
Sundry expenses	53,659		53,971	
Discounts received	(56,038)		(62,606)	
Advertising	136,440		207,530	
Entertaining	10,063		4,919	
Legal and professional fees	5,830		11,810	
Accountancy fees	6,573		8,350	
Depreciation of leasehold property	6,823		6,824	
Depreciation of fixtures and fittings	67,808		49,482	
Depreciation of motor vehicles	62,593		60,476	
(Profit)/Loss on disposal of fixed assets	3,364		1,502	
		418,183		447,367
Financial Costs				
Bad debts written off	10,131		1,418	
Credit card charges	15,009		16,341	
Finance charges	7,249		4,678	
Bank charges	4,636		5,496	
		37,025		27,933
		<u>1,663,241</u>		<u>1,670,554</u>
Other Operating Income				
Rent receivable		57,489		53,795
Other operating income		27,227		24,773
		<u>84,716</u>		<u>78,568</u>

Reynolds Limited

Notes to the Detailed Profit and Loss Account

Year Ended 28 February 2007

	2007		2006	
	£	£	£	£
Interest Receivable				
Bank interest receivable		<u>6,740</u>		<u>4,868</u>
Interest Payable				
Bank interest payable	30,010		58,252	
Hire purchase and finance lease charges	11,694		11,837	
Interest on other loans	<u>2,798</u>		<u>-</u>	
		<u>44,502</u>		<u>70,089</u>