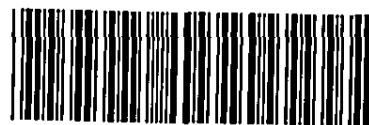


COMPANY REGISTRATION NUMBER 00461520

**Reynolds Limited**  
**Financial Statements**  
**For the Year Ended**  
**29 February 2008**

SATURDAY



\*A8CQB588\*

A53

29/11/2008

259

COMPANIES HOUSE

**STAT COPY**

# **Reynolds Limited**

Financial Statements

**Year Ended 29 February 2008**

---

<b>Contents</b>	<b>Page</b>
Officers and Professional Advisers	1
The Directors' Report	2 - 3
Independent Auditors' Report	4 - 5
Profit and Loss Account	6
Reconciliation of Movements in Shareholders Funds	6
Balance Sheet	7
Notes to the Financial Statements	8 - 19
 <b>The following pages do not form part of the Financial Statements</b>	
Detailed Profit and Loss Account	21
Notes to the Detailed Profit and Loss Account	22 - 23

# **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 29 February 2008

---

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 29 February 2008.

### 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 do not recommended a final dividend (2007 : £1.90 per share).

### Charitable Donations

During the year the company made charitable donations of £4,653. All donations were for local charities.

### 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 29 February 2008	at 1 March 2007
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

### 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 29 February 2008**

---

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 *17<sup>th</sup> November* 2008

## **Reynolds Limited**

### **Independent Auditor's Report**

**Year Ended 29 February 2008**

---

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REYNOLDS LIMITED**

We have audited the financial statements of Reynolds Limited for the year ended 29 February 2008 set out on pages 6 to 17. 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 29 February 2008**

---

### **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 29 February 2008 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 Priors

South Pallant

Chichester

West Sussex

PO19 1SY

Date: *17 November 2008*

# Reynolds Limited

## Profit and Loss Account

Year Ended 29 February 2008

		2008	2007
Turnover	Note 1	4,328,708	3,732,404
Cost of Sales	2	<u>(2,112,157)</u>	<u>(1,751,276)</u>
Gross Profit		2,216,551	1,981,128
Net Operating expenses		<u>(1,777,184)</u>	<u>(1,578,525)</u>
Operating Profit	4	<u>439,367</u>	<u>402,603</u>
Interest receivable	6	18,514	6,740
Interest payable	7	<u>(70,700)</u>	<u>(44,502)</u>
Profit on Ordinary Activities before taxation		387,181	364,841
Tax on profit on ordinary activities	8	<u>(110,206)</u>	<u>(74,789)</u>
Profit on Ordinary Activities after taxation		<u>276,975</u>	<u>290,052</u>

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		276,975		290,052
Dividends		<u>(162,112)</u>		<u>(121,541)</u>
Net addition to funds		114,863		168,511
Opening shareholders' equity funds		<u>1,184,113</u>		<u>1,015,602</u>
Closing shareholders' equity funds		<u>1,298,976</u>		<u>1,184,113</u>



# Reynolds Limited

## Balance Sheet

Year Ended 29 February 2008

		£	2008 £	£	2007 £
	Note				
<b>Fixed Assets</b>					
Tangible assets	10		2,067,219		2,177,037
Investments	11		-		100,000
			<u>2,067,219</u>		<u>2,277,037</u>
<b>Current Assets</b>					
Stocks	12	361,699		409,840	
Debtors	13	289,427		262,280	
Cash at bank and in hand		553,570		283,961	
		<u>1,204,696</u>		<u>956,081</u>	
<b>Creditors : Amounts Falling Due Within One Year</b>	14	<u>(1,250,029)</u>		<u>(1,083,742)</u>	
<b>Net Current (Liabilities)</b>			<u>(45,333)</u>		<u>(127,661)</u>
<b>Total Assets Less Current Liabilities</b>			2,021,886		2,149,376
<b>Creditors : Amounts Falling Due After More Than One Year</b>	15		<u>(684,294)</u>		<u>(926,647)</u>
			<u>1,337,592</u>		<u>1,222,729</u>
<b>Provision For Liabilities and Charges</b>					
Deferred taxation	18		<u>(38,616)</u>		<u>(38,616)</u>
			<u>1,298,976</u>		<u>1,184,113</u>
<b>Capital and Reserves</b>					
Called-up equity share capital	22		42,661		42,661
Other reserves	23		42,339		42,339
Profit and loss account	24		<u>1,213,976</u>		<u>1,099,113</u>
<b>Shareholders' funds</b>			<u>1,298,976</u>		<u>1,184,113</u>

For the financial year ended 29 February 2008, 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 17<sup>th</sup> November 2008 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 29 February 2008**

---

### **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

#### **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 29 February 2008**

---

### **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 29 February 2008

### 2. Analysis of Cost of Sales and Net Operating Expenses

	Total £
<b>Year Ended 29 February 2008</b>	
Cost of sales	<u>2,112,157</u>
Administrative expenses	1,861,738
Other operating income (Note 3)	(84,554)
Net operating expenses	<u>1,777,184</u>
<b>Year Ended 28 February 2007</b>	
Cost of sales	<u>1,751,276</u>
Administrative expenses	1,663,241
Other operating income (Note 3)	(84,716)
Net operating expenses	<u>1,578,525</u>

### 3. Other Operating Income

	2008 £	2007 £
Rent receivable	59,260	57,489
Other operating income	25,860	27,227
	<u>85,120</u>	<u>84,716</u>

### 4. Operating Profit

Operating profit is stated after charging :

	2008 £	2007 £
Depreciation of owned fixed assets	56,586	81,788
Depreciation of assets held under hire purchase agreements	61,538	55,436
Loss on disposal of fixed assets	54,644	3,364
Operating lease costs : Land and buildings	<u>13,500</u>	<u>13,500</u>

# Reynolds Limited

## Notes to the Financial Statements

Year Ended 29 February 2008

### 5. Directors' Emoluments

The directors' aggregate emoluments in respect of qualifying services were :

	2008 £	2007 £
Emoluments receivable	<u>327,923</u>	<u>219,465</u>

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

	2008 £	2007 £
Money purchase schemes	<u>4</u>	<u>4</u>

### 6. Interest Receivable

	2008 £	2007 £
Bank interest receivable	<u>18,514</u>	<u>6,740</u>

### 7. Interest Payable and Similar Charges

	2008 £	2007 £
Interest payable on bank borrowing	35,709	30,010
Finance charges	12,158	11,694
Other similar charges payable	22,833	2,798
	<u>70,700</u>	<u>44,502</u>

### 8. Taxation on Ordinary Activities

#### Analysis of charge in the year

	2008 £	2007 £
Current tax :		
In respect of the year :		
UK Corporation tax based on the results for the year at 30% (2007 – 30%)	109,864	84,485
Underprovision in previous years	342	(9,696)
Total current tax	<u>110,206</u>	<u>74,789</u>
Deferred tax :		
Origination and reversal of timing differences	-	-
Tax on profit on ordinary activities	<u>110,206</u>	<u>74,789</u>

# Reynolds Limited

## Notes to the Financial Statements

Year Ended 29 February 2008

### 9. Dividends

	2008 £	2007 £
Final Proposed - £ nil per ordinary share (2007 - £1.90 per share)	-	81,013

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

### 10. Tangible Fixed Assets

	Freehold Property £	Leasehold Property £	Fixtures & Fittings £	Motor Vehicles £	Total £
<b>Cost</b>					
At 1 March 2007	1,703,525	81,023	851,771	485,381	3,121,700
Additions	1,401	-	37,049	24,500	62,950
Disposals			(630,724)	-	(630,724)
<b>At 29 February 2008</b>	<b>1,704,926</b>	<b>81,023</b>	<b>258,096</b>	<b>509,881</b>	<b>2,553,926</b>
<b>Depreciation</b>					
At 1 March 2007	-	75,904	645,664	223,095	944,663
Charge for the year	-	5,119	41,959	71,046	118,124
on disposals	-	-	(576,080)	-	(576,080)
<b>At 29 February 2008</b>	<b>-</b>	<b>81,023</b>	<b>111,543</b>	<b>294,141</b>	<b>486,707</b>
<b>Net Book Value</b>					
<b>At 29 February 2008</b>	<b>1,704,926</b>	<b>-</b>	<b>146,553</b>	<b>215,740</b>	<b>2,067,219</b>
At 29 February 2007	1,703,525	5,119	206,107	262,287	2,177,037

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. 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 £2,067,219 is £192,026 (2007 - £235,532) relating to assets held under hire purchase agreements, and £ nil (2007 - £nil) 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 £nil (2007 - £784) in respect of assets held under finance lease agreements.

### 11. Investments Held as Fixed Assets

	£
At 1 March 2007	100,000
Additions	-
Disposals	(100,000)
<b>At 29 February 2008</b>	<b>-</b>

The investment represents 100,000 pounds of 5 % Cranmore House Secured Debenture Stock of Associated Independent Stores Limited and was sold to the Reynolds Directors' Pension Scheme at market value during 2008.

# Reynolds Limited

## Notes to the Financial Statements

Year Ended 29 February 2008

### 12. Stocks

	2008 £	2007 £
Finished goods	<u>361,699</u>	<u>409,840</u>

### 13. Debtors

	2008 £	2007 £
Trade debtors	189,374	162,317
Other debtors	20,530	27,379
Directors current accounts	1,008	7,067
Prepayments and accrued income	78,515	65,517
	<u>289,427</u>	<u>262,280</u>

### 14. Creditors: Amounts Falling Due Within One Year

	2008 £	2007 £
Bank loans and overdrafts	131,486	118,938
Other loans	75,565	71,247
Trade creditors	633,381	641,609
Corporation tax	109,864	84,485
Other taxation and social security	39,716	37,375
Hire purchase agreements	56,935	50,095
Other creditors	4,067	7,134
Accruals and deferred income	199,015	72,859
	<u>1,250,029</u>	<u>1,083,742</u>

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

	2008 £	2007 £
Bank loans and overdrafts	131,486	118,938
Other loans	75,565	71,247
	<u>207,051</u>	<u>190,185</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 29 February 2008

### 15. Creditors: Amounts Falling due after More than One Year

	2008	2007
	£	£
Bank loans and overdrafts	316,243	447,794
Other loans	246,642	322,893
Hire purchase agreements	121,409	155,960
	<u>684,294</u>	<u>926,647</u>

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

	2008	2007
	£	£
Bank loans and overdrafts	316,243	447,794
Other loans	246,642	322,893
	<u>562,885</u>	<u>770,687</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:

	2008	2007
	£	£
Bank loans and overdrafts	<u>-</u>	<u>-</u>

The bank loan is repayable by instalments and is repayable by October 2010. Interest is charged at 1.25% above the bank's base rate.

### 16. Commitments under Hire Purchase Agreements

Future commitments under hire purchase agreements are as follows:

	2008	2007
	£	£
Amounts payable within 1 year	56,935	50,095
Amounts payable between 1 and 5 years	121,409	155,960
Amounts payable greater than 5 years	-	-
	<u>178,344</u>	<u>206,055</u>

### 17. 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 (2007 – £ nil).



# Reynolds Limited

## Notes to the Financial Statements

Year Ended 29 February 2008

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 £26,148 (2007 - £22,502).

### 18. Deferred Taxation

The movement in the deferred taxation account during the year was:

	2008 £	2007 £
Balance brought forward	38,616	38,616
Profit and loss account movement arising during the year	-	-
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:

	2008 £	2007 £
Excess of taxation allowances over depreciation on fixed assets	25,647	25,647
Provision for deferred tax; capital gains rolled over	12,969	12,969
	<u>38,616</u>	<u>38,616</u>

### 19. Commitments under Operating Leases

At 29 February 2008 the company had annual commitments under non-cancellable operating leases as set out below

	Land & Buildings	
	2008 £	2007 £
Operating leases which expire:		
Within 1 year	-	13,500
Within 2-5 years	-	-
Over 5 years	15,000	-

### 20. Transactions with the Directors

Included in debtors are loans to the directors as follows :

	2008 £	2007 £
N A Reynolds	-	6,194
D J Reynolds	488	-
J B Reynolds	29	-
S J Reynolds	429	873
M N Reynolds	62	-
	<u>1,008</u>	<u>7,067</u>

# Reynolds Limited

## Notes to the Financial Statements

Year Ended 29 February 2008

### 21. 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 (2007:- £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 5.75% per annum . At the year end the loan outstanding was £116,335.

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 6.25% per annum. At the year end the loan outstanding was £205,872.

### 22. Share Capital

#### Authorised share capital:

	2008 £	2007 £
85,000 Ordinary shares of £1 each	<u>85,000</u>	<u>85,000</u>

#### Allotted, called up and fully paid

	2008		2007	
	No	£	No	£
Ordinary shares of £1 each	<u>42,661</u>	<u>42,661</u>	<u>42,661</u>	<u>42,661</u>

### 23. Other Reserves

	2008 £	2007 £
Capital redemption reserve	<u>42,339</u>	<u>42,339</u>

### 24. Profit and Loss Account

	2008 £	2007 £
Balance brought forward :	1,099,113	930,602
Profit for the financial year	276,975	290,052
Dividends – last financial year	(162,112)	(121,541)
Balance carried forward	<u>1,213,976</u>	<u>1,099,113</u>

### 25. 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 29 February 2008**

---

company's accounts or balance sheet. At 29 February 2008 the cumulative value of current plans was £743,443 (2007 - £674,379). 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 £25,599 towards the current deficiency.

**Reynolds Limited**

**Management Information**

**Year Ended 29 February 2008**

---

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

# Reynolds Limited

## Detailed Profit and Loss Account

Year Ended 29 February 2008

	2008		2007	
	No	£	No	£
<b>Turnover</b>		<b>4,328,708</b>		<b>3,732,404</b>
<b>Cost of Sales</b>				
Opening stock – finished goods	(409,840)		(350,519)	
Shop purchases	(1,893,406)		(1,659,731)	
Funeral expenses	(105,993)		(95,392)	
Masonry expenses	(39,018)		(32,944)	
Funeral non recoverable serenity costs	(25,599)		(22,530)	
	<u>2,473,856</u>		<u>2,161,116</u>	
Closing stock – finished goods	<u>361,699</u>		<u>409,840</u>	
		<u>(2,112,157)</u>		<u>(1,751,276)</u>
<b>Gross Profit</b>		<b>2,216,551</b>		<b>1,981,128</b>
<b>Overheads</b>				
Administrative expenses		<u>(1,861,738)</u>		<u>(1,663,241)</u>
		<b>354,813</b>		<b>317,887</b>
<b>Other Operating Income</b>		<b>84,554</b>		<b>84,716</b>
<b>Operating Profit</b>		<u><b>439,367</b></u>		<u><b>402,603</b></u>
Bank interest receivable		<b>18,514</b>		<b>6,740</b>
		<u><b>457,881</b></u>		<u><b>409,343</b></u>
Interest payable		<b>(70,700)</b>		<b>(44,502)</b>
<b>Profit on Ordinary Activities</b>		<u><b>387,181</b></u>		<u><b>364,841</b></u>

# Reynolds Limited

## Notes to the Detailed Profit and Loss Account

Year Ended 29 February 2008

	2008		2007	
	£	£	£	£
<b>Administrative Expenses</b>				
<b>Personnel Costs</b>				
Directors salaries	324,319		216,140	
Directors national insurance contributions	38,169		24,424	
Wages and salaries	641,920		603,987	
Staff bonus	24,701		40,765	
Employers national insurance contributions	68,086		60,537	
Staff pension contributions	26,148		22,502	
Temporary staff costs	-		2,371	
Training	540		1,000	
		1,123,883		971,726
<b>Establishment Expenses</b>				
Rent	13,500		13,500	
Rates and water	98,751		86,909	
Light and heat	32,697		35,058	
Insurance	35,237		39,251	
Repairs and maintenance	21,273		61,589	
		201,458		236,307
<b>General Expenses</b>				
Motor expenses	26,784		26,240	
Travel and subsistence	9,818		8,986	
Telephone	8,827		10,974	
Computer costs	35,558		41,662	
Printing, postage and stationery	23,669		18,964	
Staff welfare	16,246		14,242	
Sundry expenses	56,663		53,659	
Discounts received	(62,050)		(56,038)	
Advertising	195,066		136,440	
Entertaining	8,757		10,063	
Legal and professional fees	2,803		5,830	
Accountancy fees	13,355		6,573	
Depreciation of leasehold property	5,118		6,823	
Depreciation of fixtures and fittings	41,959		67,808	
Depreciation of motor vehicles	71,047		62,593	
(Profit)/Loss on disposal of fixed assets	54,644		3,364	
		508,264		418,183
<b>Financial Costs</b>				
Bad debts written off	1,951		10,131	
Credit card charges	18,880		15,009	
Finance charges	3,364		7,249	
Bank charges	3,938		4,636	
		28,133		37,025
		<u>1,861,738</u>		<u>1,663,241</u>
<b>Other Operating Income</b>				
Rent receivable		58,694		57,489
Other operating income		25,860		27,227
		<u>84,554</u>		<u>84,716</u>

**Reynolds Limited**

**Notes to the Detailed Profit and Loss Account**

**Year Ended 29 February 2008**

	£	2008	£	£	2007	£
<b>Interest Receivable</b>						
Bank interest receivable			<u>18,514</u>			<u>6,740</u>
<b>Interest Payable</b>						
Bank interest payable	35,709			30,010		
Hire purchase and finance lease charges	12,158			11,694		
Interest on other loans	<u>22,833</u>			<u>2,798</u>		
			<u>70,700</u>			<u>44,502</u>