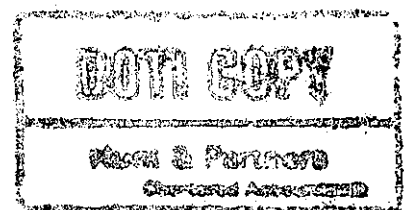


Reynolds Limited
Financial Statements
For the Year Ended
28 February 2003

Company Registration Number 00461520



HAINES WATTS
Chartered Accountants & Registered Auditors
44-45 West Street
Chichester
West Sussex
PO19 1RP

Reynolds Limited
Financial Statements
Year Ended 28 February 2003

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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

Company Secretary

Mrs J A M Reynolds

Registered Office

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

Auditors

Haines Watts
Chartered Accountants
& Registered Auditors
44-45 West Street
Chichester
West Sussex
PO19 1RP

Bankers

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

Standard Life Bank
1 Conference Square
Edinburgh
EH3 8RA

Reynolds Limited

The Directors' Report

Year Ended 28 February 2003

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 28 February 2003.

Principal Activities and Business Review

The principal activities of the company during the year were those of trading as furniture retailers, funeral directors, fashion retailers 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 have not recommended a dividend.

The Directors and their Interests in 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 28 February 2003	At 1 March 2002
N A Reynolds	11,059	11,059
D J Reynolds	10,534	10,534
J B Reynolds	10,534	10,534
S J Reynolds	<u>10,534</u>	<u>10,534</u>

Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company 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 11 to 13, 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 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.

Reynolds Limited

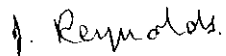
The Directors' Report *(continued)*

Year Ended 28 February 2003

Auditors

A resolution to re-appoint Haines Watts as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Signed by order of the directors



Mrs J A M Reynolds
Company Secretary

Approved by the directors on 29 May 2003

Reynolds Limited

Independent Auditors' Report to the Shareholders

Year Ended 28 February 2003

We have audited the financial statements on pages 6 to 22 which have been prepared under the historical cost convention and the accounting policies set out on pages 11 to 13.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of the Directors and the Auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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. Our responsibilities do not extend to any other information.

Basis of Audit Opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

Reynolds Limited

Independent Auditors' Report to the Shareholders *(continued)*

Year Ended 28 February 2003

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 28 February 2003 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

44-45 West Street
Chichester
West Sussex
PO19 1RP

29 May 2003



HAINES WATTS
Chartered Accountants
& Registered Auditors

Reynolds Limited

Profit and Loss Account

Year Ended 28 February 2003

	Note	2003 £	2002 £
Turnover	2	4,808,795	4,896,264
Cost of sales		(2,733,581)	(2,843,696)
Gross Profit		2,075,214	2,052,568
Administrative expenses		(2,010,809)	(1,871,621)
Other operating income	3	58,316	50,664
Operating Profit	4	122,721	231,611
Interest receivable	7	1,078	3,672
Interest payable	8	(62,325)	(58,292)
Profit on Ordinary Activities Before Taxation		61,474	176,991
Tax on profit on ordinary activities	9	2,316	(13,978)
Retained Profit for the Financial Year		63,790	163,013
Balance brought forward		911,952	748,939
Balance carried forward		<u>975,742</u>	<u>911,952</u>

All of the activities of the company are classed as continuing.

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

Reynolds Limited

Reconciliation of Movements in Shareholders' Funds

Year Ended 28 February 2003

	2003	2002
	£	£
Profit for the financial year	63,790	163,013
Opening shareholders' equity funds	996,952	<u>833,939</u>
Closing shareholders' equity funds	<u>1,060,742</u>	<u>996,952</u>

The notes on pages 11 to 22 form part of these financial statements.


Reynolds Limited

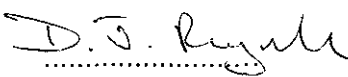
Balance Sheet

28 February 2003

	Note	2003 £	2002 £
Fixed Assets			
Intangible assets	10	76,110	86,110
Tangible assets	11	1,738,330	1,756,287
		<u>1,814,440</u>	<u>1,842,397</u>
Current Assets			
Stocks	12	419,360	485,343
Debtors	13	427,703	459,151
Cash at bank and in hand		183,011	152,891
		<u>1,030,074</u>	<u>1,097,385</u>
Creditors: Amounts Falling due Within One Year	14	<u>852,478</u>	<u>955,615</u>
Net Current Assets		<u>177,596</u>	<u>141,770</u>
Total Assets Less Current Liabilities		<u>1,992,036</u>	<u>1,984,167</u>
Creditors: Amounts Falling due after More than One Year	15	<u>879,459</u>	<u>917,416</u>
		<u>1,112,577</u>	<u>1,066,751</u>
Provisions for Liabilities and Charges			
Deferred taxation	18	51,835	69,799
		<u>1,060,742</u>	<u>996,952</u>
Capital and Reserves			
Called-up equity share capital	22	42,661	42,661
Other reserves	23	42,339	42,339
Profit and loss account		975,742	911,952
Shareholders' Funds		<u>1,060,742</u>	<u>996,952</u>

These financial statements were approved by the directors on 29 May 2003 and are signed on their behalf by:


N A Reynolds


D J Reynolds

Reynolds Limited**Cash Flow Statement****Year Ended 28 February 2003**

	2003		2002
	£	£	£
Net Cash Inflow From Operating Activities	310,803		385,729
Returns on Investments and Servicing of Finance			
Interest received	1,078		3,672
Interest paid	(60,487)		(53,991)
Interest element of hire purchase	<u>(1,838)</u>		<u>(4,301)</u>
Net Cash Outflow From Returns on Investments and Servicing of Finance	(61,247)		(54,620)
Taxation	(9,659)		(75,488)
Capital Expenditure			
Payments to acquire tangible fixed assets	(151,657)		(596,341)
Receipts from sale of fixed assets	<u>1,000</u>		<u>26,300</u>
Net Cash Outflow From Capital Expenditure	(150,657)		(570,041)
Equity Dividends Paid	(19,168)		(107,270)
Cash Inflow/(Outflow) Before Financing	70,072		(421,690)
Financing			
Repayment of other loans	(10,114)		(9,475)
New bank loans	—		421,051
Repayment of bank loans	(77,015)		(61,290)
Capital element of hire purchase	<u>47,177</u>		<u>(13,598)</u>
Net Cash (Outflow)/Inflow From Financing	(39,952)		336,688
Increase/(Decrease) in Cash	<u>30,120</u>		<u>(85,002)</u>

The notes on pages 11 to 22 form part of these financial statements.

Reynolds Limited

Cash Flow Statement *(continued)*

Year Ended 28 February 2003

Reconciliation of Operating Profit to Net Cash Inflow From Operating Activities

	2003 £	2002 £
Operating profit	122,721	231,611
Amortisation	10,000	10,000
Depreciation	168,443	117,295
Loss on disposal of fixed assets	171	12,932
Decrease/(increase) in stocks	65,983	(44,922)
Decrease in debtors	31,448	7,419
(Decrease)/increase in creditors	(87,963)	51,394
Net cash inflow from operating activities	310,803	385,729

Reconciliation of Net Cash Flow to Movement in Net Debt

	2003 £	2002 £
Increase/(decrease) in cash in the period	30,120	(85,002)
Net cash outflow from other loans	10,114	9,475
Net cash outflow from/(inflow) from bank loans	77,015	(359,761)
Cash outflow in respect of hire purchase	(47,177)	13,598
	70,072	(421,690)
Change in net debt	70,072	(421,690)
Net debt at 1 March 2002	(869,984)	(448,294)
Net debt at 28 February 2003	(799,912)	(869,984)

Analysis of Changes in Net Debt

	At 1 Mar 2002 £	Cash flows £	At 28 Feb 2003 £
Net cash:			
Cash in hand and at bank	152,891	30,120	183,011
Debt:			
Debt due within 1 year	(99,399)	17,369	(82,030)
Debt due after 1 year	(911,356)	69,760	(841,596)
Hire purchase agreements	(12,120)	(47,177)	(59,297)
	(1,022,875)	39,952	(982,923)
Net debt	(869,984)	70,072	(799,912)

The notes on pages 11 to 22 form part of these financial statements.

Year Ended 28 February 2003

Reynolds Limited

Notes to the Financial Statements

Year Ended 28 February 2003

1. Accounting Policies *(continued)*

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.

Reynolds Limited

Notes to the Financial Statements

Year Ended 28 February 2003

1. Accounting Policies *(continued)*

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;

Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;

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.

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2003 £	2002 £
United Kingdom	<u>4,808,795</u>	<u>4,896,264</u>

3. Other Operating Income

	2003 £	2002 £
Rent receivable	26,187	22,397
Commission receivable	—	6,044
Other operating income	<u>32,129</u>	<u>22,223</u>
	<u>58,316</u>	<u>50,664</u>

Reynolds Limited

Notes to the Financial Statements

Year Ended 28 February 2003

4. Operating Profit

Operating profit is stated after charging:

	2003	2002
	£	£
Amortisation	10,000	10,000
Depreciation	168,443	117,295
Loss on disposal of fixed assets	171	12,932
Auditors' remuneration		
- as auditors	36,380	37,198
Operating lease costs:		
Land and buildings	<u>79,850</u>	<u>79,850</u>

5. Particulars of Employees

The average number of staff employed by the company during the financial year amounted to:

	2003	2002
	No	No
Administrative staff	14	13
Management staff	4	4
Selling and distribution	52	52
	<u>70</u>	<u>69</u>

The aggregate payroll costs of the above were:

	2003	2002
	£	£
Wages and salaries	936,994	819,733
Social security costs	76,189	59,102
Other pension costs	27,192	55,781
	<u>1,040,375</u>	<u>934,616</u>

6. Directors' Emoluments

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

	2003	2002
	£	£
Emoluments receivable	177,220	109,895
Value of company pension contributions to money purchase schemes	—	33,750
	<u>177,220</u>	<u>143,645</u>

Reynolds Limited

Notes to the Financial Statements

Year Ended 28 February 2003

6. Directors' Emoluments *(continued)*

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

	2003 No	2002 No
Money purchase schemes	<u>3</u>	<u>3</u>

7. Interest Receivable

	2003 £	2002 £
Bank interest receivable	<u>1,078</u>	<u>3,672</u>

8. Interest Payable

	2003 £	2002 £
Interest payable on bank borrowing	51,893	43,597
Finance charges	1,838	4,301
Other similar charges payable	8,594	10,394
	<u>62,325</u>	<u>58,292</u>

9. Tax on Profit on Ordinary Activities

(a) Analysis of charge in the year

	2003 £	2002 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 19.08% (2002 - 20%)	15,648	16,407
Total current tax	<u>15,648</u>	<u>16,407</u>
Deferred tax:		
Decrease in deferred tax provision	(17,964)	(2,429)
Tax on profit on ordinary activities	<u>(2,316)</u>	<u>13,978</u>

Reynolds Limited

Notes to the Financial Statements

Year Ended 28 February 2003

9. Tax on Profit on Ordinary Activities *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 19% (2002 - 20%).

	2003 £	2002 £
Profit on ordinary activities before taxation	<u>61,474</u>	<u>176,991</u>
Corporation tax payable at standard rate on operating profit	11,729	35,398
Accelerated capital allowances	2,495	(21,092)
Revenue expenses disallowed	1,841	2,835
Finance lease rental charges	(206)	—
Untaxed investment income	(211)	(734)
Total current tax (note 9(a))	<u>15,648</u>	<u>16,407</u>

10. Intangible Fixed Assets

	Goodwill £
Cost	
At 1 March 2002 and 28 February 2003	<u>100,000</u>
Amortisation	
At 1 March 2002	13,890
Charge for the year	10,000
At 28 February 2003	<u>23,890</u>
Net Book Value	
At 28 February 2003	<u>76,110</u>
At 28 February 2002	<u>86,110</u>

Reynolds Limited

Notes to the Financial Statements

Year Ended 28 February 2003

11. Tangible Fixed Assets

	Freehold Property £	Leasehold Property £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost					
At 1 March 2002	1,152,925	121,638	975,910	267,158	2,517,631
Additions	—	—	78,551	73,106	151,657
Disposals	—	—	—	(17,283)	(17,283)
At 28 February 2003	1,152,925	121,638	1,054,461	322,981	2,652,005
Depreciation					
At 1 March 2002	—	49,736	483,815	227,793	761,344
Charge for the year	—	7,316	141,554	19,573	168,443
On disposals	—	—	—	(16,112)	(16,112)
At 28 February 2003	—	57,052	625,369	231,254	913,675
Net Book Value					
At 28 February 2003	1,152,925	64,586	429,092	91,727	1,738,330
At 28 February 2002	1,152,925	71,902	492,095	39,365	1,756,287

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.

Hire purchase agreements

Included within the net book value of £1,738,330 is £61,404 (2002 - £15,571) relating to assets held under hire purchase agreements, and £12,736 (2002 - £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 £8,772 (2002 - £4,629), and £271 (2002 - £Nil) in respect of assets held under finance lease agreements.

12. Stocks

	2003 £	2002 £
Finished goods	<u>419,360</u>	<u>485,343</u>

Reynolds Limited

Notes to the Financial Statements

Year Ended 28 February 2003

13. Debtors

	2003 £	2002 £
Trade debtors	277,927	332,621
Other debtors	15,652	16,881
Prepayments and accrued income	134,124	109,649
	<u>427,703</u>	<u>459,151</u>

14. Creditors: Amounts Falling due Within One Year

	2003 £	2002 £
Other loans	10,890	8,790
Bank loans and overdrafts	71,140	90,609
Trade creditors	503,441	600,338
Corporation tax	15,648	9,659
Other taxation and social security	124,416	83,792
Hire purchase agreements	21,434	6,060
Dividends payable	12,223	31,391
Other creditors	41,002	73,407
Directors current accounts	12,011	26,719
Accruals and deferred income	40,273	24,850
	<u>852,478</u>	<u>955,615</u>

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

	2003 £	2002 £
Other loans	10,890	8,789
Bank loans and overdrafts	71,140	90,609
	<u>82,030</u>	<u>99,398</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.

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

	2003 £	2002 £
Other loans	91,368	103,582
Bank loans and overdrafts	750,228	807,774
Other creditors:		
Hire purchase agreements	37,863	6,060
	<u>879,459</u>	<u>917,416</u>

Reynolds Limited

Notes to the Financial Statements

Year Ended 28 February 2003

15. Creditors: Amounts Falling due after More than One Year *(continued)*

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

	2003 £	2002 £
Other loans	91,368	103,582
Bank loans and overdrafts	750,228	807,774
	<u>841,596</u>	<u>911,356</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.

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:

	2003 £	2002 £
Other loans	—	61,583
Bank loans and overdrafts	428,228	360,364
	<u>428,228</u>	<u>421,947</u>

The loan from Reynolds & Co (Furnishers) Limited Directors Pension Scheme is repayable by February 2007, interest is charged at 3% above bank base rate.

The bank loan is repayable by instalments and is repayable by October 2010. Interest is charged at 1.9% above the bank's base rate.

16. Commitments under Hire Purchase Agreements

Future commitments under hire purchase agreements are as follows:

	2003 £	2002 £
Amounts payable within 1 year	21,434	6,060
Amounts payable between 1 and 2 years	15,374	6,060
Amounts payable between 3 and 5 years	22,489	—
	<u>59,297</u>	<u>12,120</u>

Reynolds Limited

Notes to the Financial Statements

Year Ended 28 February 2003

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 (2002 - £33,750)

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 £27,192 (2002 - £22,031).

18. Deferred Taxation

	2003 £	2002 £
The movement in the deferred taxation provision during the year was:		
Provision brought forward	69,799	72,228
Profit and loss account movement arising during the year	(17,964)	(2,429)
Provision carried forward	<u>51,835</u>	<u>69,799</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2003 £	2002 £
Excess of taxation allowances over depreciation on fixed assets	38,866	56,830
Provision for deferred tax; capital gains rolled over	12,969	12,969
	<u>51,835</u>	<u>69,799</u>

19. Commitments under Operating Leases

At 28 February 2003 the company had annual commitments under non-cancellable operating leases as set out below.

	Land & Buildings	
	2003 £	2002 £
Operating leases which expire:		
Within 1 year	79,850	79,850
Within 2 to 5 years	307,400	307,400
After more than 5 years	319,400	399,250
	<u>706,650</u>	<u>786,500</u>

Reynolds Limited

Notes to the Financial Statements

Year Ended 28 February 2003

20. Transactions With the Directors

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

N A Reynolds	2003 - £ 1,874	2002 - £ (2,685)
D J Reynolds	2003 - £ (1,922)	2002 - £ 113
J B Reynolds	2003 - £(19,600)	2002 - £(24,115)
S J Reynolds	2003 - £ 7,638	2002 - £ (27)

Maximum liabilities in the year amounted to

N A Reynolds	£ 1,874
D J Reynolds	£ (1,922)
J B Reynolds	£ (19,600)
S J Reynolds	£ 7,638

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 are as follows:

Rent payments of £79,850 were made to the Directors Pension Scheme, there were no amounts outstanding at the year end.

Loan interest of £8,594 was paid to the Directors Pension Scheme. As at 28 February 2003 the loan outstanding amounted to £102,258.

22. Share Capital

Authorised share capital:

	2003	2002
	£	£
85,000 Ordinary shares of £1 each	<u>85,000</u>	<u>85,000</u>

Allotted, called up and fully paid:

	2003		2002	
	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

	2003	2002
	£	£
Capital redemption reserve	<u>42,339</u>	<u>42,339</u>

Reynolds Limited

Notes to the Financial Statements

Year Ended 28 February 2003

24. Pre-Arranged Funerals

Reynolds Limited markets prearranged 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 company's accounts or balance sheet. At 28 February 2003 the cumulative value of current plans was £438,003 (2002 - £392,830). 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 £18,528 towards the current deficiency.