

log

Company Registration No. 2027459 (England and Wales)

MICHAEL I HOLDSWORTH LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2004



MICHAEL I HOLDSWORTH LIMITED

COMPANY INFORMATION

Directors

M I Holdsworth
J A Marriott
R Warhurst

Secretary

E V Holdsworth

Company number

2027459

Registered office

The Mill
Manchester Road
Tideswell
Derbyshire
SK17 8NF

Auditors

Josolyne & Co
Silk House,
Park Green
Macclesfield
Cheshire
SK11 7QW

Bankers

National Westminster Bank plc
1 Water Lane
Bakewell
Derbyshire
DE45 1EU

MICHAEL I HOLDSWORTH LIMITED

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MICHAEL I HOLDSWORTH LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 29 FEBRUARY 2004

The directors present their report and financial statements for the year ended 29 February 2004.

Principal activities and review of the business

The principal activity of the company continued to be the wholesale and retail marketing and distribution of frozen foods.

During the year, the company acquired the share capital of Hippo Campo Limited, whose principle activity is also the wholesale and retail marketing and distribution of frozen foods. The company also disposed of the share capital of Belfrost Foods Limited.

On 29th February 2004 the trading assets of the subsidiary Holdsworth Provisions Limited were hived up to the parent company and the subsidiary ceased to trade.

Results and dividends

The results for the year are set out on page 3.

Interim dividends amounting to £268,200 having been paid during the year, the directors do not recommend a final dividend.

Directors

The following directors have held office during the year;

M I Holdsworth

J A Marriott

R Warhurst

D J Flanagan

(Resigned 28 February 2004)

The interests of the directors (including family interests as defined in the Companies Act, 1985) in the ordinary shares of the company are shown in the accounts of the parent company, Holdsworth Holdings Limited.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Josolyne & Co be reappointed as auditors of the company will be put to the Annual General Meeting.

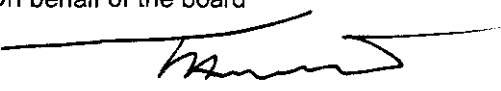
Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



J A Marriott

Director

6 September 2004

MICHAEL I HOLDSWORTH LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MICHAEL I HOLDSWORTH LIMITED

We have audited the financial statements of Michael I Holdsworth Limited on pages 3 to 17 for the year ended 29 February 2004. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, 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 members those matters we are required to state to them in an auditor's 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 the directors and auditors

As described in the statement of directors' responsibilities on page 1 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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.

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.

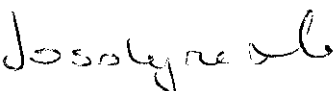
Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 29 February 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Josolyne & Co

6 September 2004

Chartered Accountants &
Registered Auditor



Silk House,
Park Green
Macclesfield
Cheshire
SK11 7QW

MICHAEL I HOLDSWORTH LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 29 FEBRUARY 2004

	Notes	2004 £	2003 £
Turnover	2	26,935,303	26,893,645
Cost of sales		(20,123,220)	(20,342,298)
Gross profit		6,812,083	6,551,347
Distribution costs		(4,298,539)	(4,132,547)
Administrative expenses		(2,341,596)	(1,707,619)
Other operating income		186,656	170,690
Operating profit	3	358,604	881,871
Investment income	4	739,142	200,000
Other interest receivable and similar income		20,152	341
Interest payable and similar charges	5	(40,344)	(64,075)
Profit on ordinary activities before taxation		1,077,554	1,018,137
Tax on profit on ordinary activities	6	(133,311)	(252,031)
Profit on ordinary activities after taxation		944,243	766,106
Dividends	7	(268,200)	(447,225)
Retained profit for the year	17	676,043	318,881

The profit and loss account has been prepared on the basis that all operations are continuing operations.

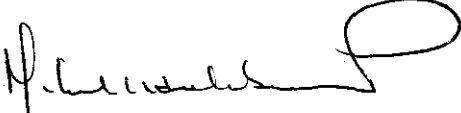
There are no recognised gains and losses other than those passing through the profit and loss account.

MICHAEL I HOLDSWORTH LIMITED

BALANCE SHEET AS AT 29 FEBRUARY 2004

	Notes	2004 £	£	2003 £	£
Fixed assets					
Intangible assets	8		327,718		347,262
Tangible assets	9		887,794		1,032,268
Investments	10		1,799,520		840,884
			<u>3,015,032</u>		<u>2,220,414</u>
Current assets					
Stocks	11	1,203,650		783,169	
Debtors	12	2,656,842		2,734,394	
Cash at bank and in hand		407,345		574,406	
		<u>4,267,837</u>		<u>4,091,969</u>	
Creditors: amounts falling due within one year	13	(3,874,493)		(3,619,065)	
Net current assets			<u>393,344</u>		<u>472,904</u>
Total assets less current liabilities			3,408,376		2,693,318
Creditors: amounts falling due after more than one year	14		(1,547,968)		(1,506,941)
Provisions for liabilities and charges			-		(2,012)
			<u>1,860,408</u>		<u>1,184,365</u>
Capital and reserves					
Called up share capital	16		25,000		25,000
Profit and loss account	17		1,835,408		1,159,365
Shareholders' funds - equity interests	18		<u>1,860,408</u>		<u>1,184,365</u>

The financial statements were approved by the Board on 6 September 2004


M. Holdsworth
Director

MICHAEL I HOLDSWORTH LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 29 FEBRUARY 2004

	£	2004 £	£	2003 £
Net cash inflow from operating activities		1,648,304		2,169,909
Returns on investments and servicing of finance				
Interest received	20,152		341	
Interest paid	(40,344)		(64,075)	
Dividends received	200,000		200,000	
Net cash inflow for returns on investments and servicing of finance		179,808		136,266
Taxation		(344,006)		(281,463)
Capital expenditure and financial investment				
Payments to acquire intangible assets	(1,779,500)		-	
Payments to acquire tangible assets	(26,415)		(87,215)	
Payments to acquire investments	-		(2,820)	
Receipts from sales of tangible assets	121,330		24,235	
Receipts from sales of investments	876,408		-	
Net cash outflow for capital expenditure		(808,177)		(65,800)
Equity dividends paid		(268,200)		(447,225)
Net cash inflow before management of liquid resources and financing		407,729		1,511,687
Financing				
Repayment of long term bank loan	(46,835)		(42,747)	
Capital element of hire purchase contracts	(173,706)		(252,290)	
Net cash outflow from financing		(220,541)		(295,037)
Increase in cash in the year		187,188		1,216,650

MICHAEL I HOLDSWORTH LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 29 FEBRUARY 2004

1	Reconciliation of operating profit to net cash inflow from operating activities	2004		2003	
		£		£	
	Operating profit	358,604		881,871	
	Depreciation of tangible assets	390,342		456,101	
	Amortisation of intangible assets	19,544		19,544	
	(Profit)/loss on disposal of tangible assets	(2,753)		10,260	
	(Increase)/decrease in stocks	(420,481)		121,468	
	Decrease in debtors	585,827		535,245	
	Increase in creditors within one year	717,221		145,420	
	Net cash inflow from operating activities	1,648,304		2,169,909	
2	Analysis of net debt	1 March 2003	Cash flow	Other non-cash changes	29 February 2004
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	574,406	(167,061)	-	407,345
	Bank overdrafts	(354,249)	354,249	-	-
		<u>220,157</u>	<u>187,188</u>	<u>-</u>	<u>407,345</u>
	Debt:				
	Finance leases	(330,613)	(142,725)	-	(473,338)
	Debts falling due within one year	(43,333)	-	-	(43,333)
	Debts falling due after one year	(1,312,169)	46,835	-	(1,265,334)
		<u>(1,686,115)</u>	<u>(95,890)</u>	<u>-</u>	<u>(1,782,005)</u>
	Net debt	(1,465,958)	91,298	-	(1,374,660)
3	Reconciliation of net cash flow to movement in net debt	2004		2003	
		£		£	
	Increase in cash in the year	187,188		1,216,650	
	Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	(95,890)		12,455	
	Movement in net debt in the year	91,298		1,229,105	
	Opening net debt	(1,465,958)		(2,695,063)	
	Closing net debt	(1,374,660)		(1,465,958)	

MICHAEL I HOLDSWORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2004

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 228 of the Companies Act 1985 as it is a subsidiary undertaking of Holdsworth Holdings Limited, a company incorporated in the United Kingdom, and is included in the consolidated accounts of that company.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Goodwill

Goodwill is the difference between the amount paid on the acquisition of a business and the aggregate fair value of its separable net assets. It is being amortised in equal annual instalments over the directors' estimated useful economic life of 20 years.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold

Plant and machinery

Motor vehicles

Over 5 to 15 years

Over 4 to 5 years

1.6 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.7 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.8 Stock

Stocks are stated at the lower of cost and net realisable value. Cost is determined on a first in first out. Net realisable value is determined on the basis of expected selling price less further costs expected to be incurred to completion and disposal.

MICHAEL I HOLDSWORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 FEBRUARY 2004

1.9 Pensions

The company operates funded pension schemes the assets of which are held separately from those of the company in independently administered funds.

1.10 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3	Operating profit	2004 £	2003 £
	Operating profit is stated after charging:		
	Amortisation of intangible assets	19,544	19,544
	Depreciation of tangible assets	390,342	456,101
	Loss on disposal of tangible assets	-	10,260
	Operating lease rentals		
	- Plant and machinery	325,939	148,880
	- Other assets	107,630	101,112
	Auditors' remuneration	9,950	9,750
	and after crediting:		
	Profit on disposal of tangible assets	(2,753)	-

4	Investment income	2004 £	2003 £
	Profit on disposal of unlisted investments	40,544	-
	Income from shares in group undertakings	698,598	200,000
		<u>739,142</u>	<u>200,000</u>

5	Interest payable	2004 £	2003 £
	On bank loans and overdrafts	25,277	36,595
	Hire purchase interest	15,067	26,369
	Other interest	-	1,111
		<u>40,344</u>	<u>64,075</u>

MICHAEL I HOLDSWORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 FEBRUARY 2004

6	Taxation	2004	2003
		£	£
	Domestic current year tax		
	U.K. corporation tax	135,323	289,006
	Current tax charge	135,323	289,006
	Deferred tax		
	Origination and reversal of timing differences	(2,012)	(36,975)
		133,311	252,031
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	1,077,554	1,018,137
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2003: 30.00%)	323,266	305,441
	Effects of:		
	Non deductible expenses	(5,340)	9,955
	Depreciation add back	26,976	33,610
	Dividends and distributions received	(209,579)	(60,000)
		(187,943)	(16,435)
	Current tax charge	135,323	289,006
7	Dividends	2004	2003
		£	£
	Ordinary interim paid	268,200	447,225

MICHAEL I HOLDSWORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 FEBRUARY 2004

8 Intangible fixed assets

	Goodwill £
Cost	
At 1 March 2003 & at 29 February 2004	390,882
Amortisation	
At 1 March 2003	43,620
Charge for the year	19,544
At 29 February 2004	63,164
Net book value	
At 29 February 2004	327,718
At 28 February 2003	347,262

MICHAEL I HOLDSWORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 FEBRUARY 2004

9 Tangible fixed assets

	Land and buildings Freehold £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 March 2003	-	821,515	1,242,281	2,063,796
Additions	1,760	36,136	326,550	364,446
Disposals	-	(40,382)	(799,860)	(840,242)
At 29 February 2004	1,760	817,269	768,971	1,588,000
Depreciation				
At 1 March 2003	-	320,156	711,372	1,031,528
On disposals	-	(36,626)	(685,039)	(721,665)
Charge for the year	-	163,810	226,533	390,343
At 29 February 2004	-	447,340	252,866	700,206
Net book value				
At 29 February 2004	1,760	369,929	516,105	887,794
At 28 February 2003	-	501,359	530,909	1,032,268

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

	Motor vehicles £
Net book values	
At 29 February 2004	541,012
At 28 February 2003	418,995
Depreciation charge for the year	
29 February 2004	140,508
28 February 2003	108,794

MICHAEL I HOLDSWORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 FEBRUARY 2004

10 Fixed asset investments

	Shares in group undertakings	Investments other than loans	Total
	£	£	£
Cost			
At 1 March 2003	835,864	5,020	840,884
Additions	1,779,500	15,000	1,794,500
Disposals	(835,864)	-	(835,864)
	<u>1,779,500</u>	<u>20,020</u>	<u>1,799,520</u>
At 29 February 2004	<u>1,779,500</u>	<u>20,020</u>	<u>1,799,520</u>
At 28 February 2003	<u>835,864</u>	<u>5,020</u>	<u>840,884</u>

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
Hippo Campo Limited	England	Ordinary	100

11 Stocks	2004 £	2003 £
Goods for resale	<u>1,203,650</u>	<u>783,169</u>

MICHAEL I HOLDSWORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 FEBRUARY 2004

12 Debtors	2004 £	2003 £
Trade debtors	2,257,280	2,479,012
Amounts owed by parent and fellow subsidiary undertakings	134,897	113,018
Corporation tax	9,677	-
Other debtors	80,157	42,517
Prepayments and accrued income	174,831	99,847
	<u>2,656,842</u>	<u>2,734,394</u>
13 Creditors: amounts falling due within one year	2004 £	2003 £
Bank overdraft (secured)	-	354,249
Bank loans (secured)	43,333	43,333
Net obligations under hire purchase contracts	190,704	135,841
Trade creditors	2,016,371	1,399,123
Amounts owed to parent and fellow subsidiary undertakings	339,476	928,110
Corporation tax	57,686	199,006
Other taxes and social security costs	90,410	74,891
Directors' current accounts	47,733	64,600
Other creditors	29,616	50,886
Accruals and deferred income	1,059,164	369,026
	<u>3,874,493</u>	<u>3,619,065</u>

MICHAEL I HOLDSWORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 FEBRUARY 2004

14 Creditors: amounts falling due after more than one year	2004 £	2003 £
Bank loans	446,997	493,832
Net obligations under hire purchase contracts	282,634	194,772
Amounts owed to group undertakings and undertakings in which the company has a participating interest	818,337	818,337
	<u>1,547,968</u>	<u>1,506,941</u>
Analysis of loans		
Not wholly repayable within five years by instalments:	490,330	537,165
	<u>490,330</u>	<u>537,165</u>
Included in current liabilities	(43,333)	(43,333)
	<u>446,997</u>	<u>493,832</u>
Instalments not due within five years	<u>273,664</u>	<u>320,499</u>
Loan maturity analysis		
In more than one year but not more than two years	43,333	43,333
In more than two years but not more than five years	130,000	130,000
In more than five years	<u>273,664</u>	<u>320,499</u>
Net obligations under hire purchase contracts		
Repayable within one year	190,704	135,841
Repayable between one and five years	282,633	194,772
	<u>473,337</u>	<u>330,613</u>
Included in liabilities falling due within one year	(190,704)	(135,841)
	<u>282,633</u>	<u>194,772</u>

The loans bear interest at 1.25% over base lending rate and are secured by a mortgage debenture on company assets and a Cross Company Guarantee.

Hire purchase liabilities are secured on the motor vehicles.

MICHAEL I HOLDSWORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 FEBRUARY 2004

15 Pension costs

Defined contribution

The company operates defined contribution schemes for the benefit of the employees and directors. The assets of the scheme are administered by trustees in funds independent from those of the company. The pension cost charges represents contributions payable by the company to the funds.

	2004 £	2003 £
Contributions payable by the company for the year	76,481	67,695

16 Share capital

	2004 £	2003 £
Authorised		
25,000 Ordinary shares of £1 each	25,000	25,000
Allotted, called up and fully paid		
25,000 Ordinary shares of £1 each	25,000	25,000

17 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 March 2003	1,159,365
Retained profit for the year	676,043
Balance at 29 February 2004	1,835,408

18 Reconciliation of movements in shareholders' funds

	2004 £	2003 £
Profit for the financial year	944,243	766,106
Dividends	(268,200)	(447,225)
Net addition to shareholders' funds	676,043	318,881
Opening shareholders' funds	1,184,365	865,484
Closing shareholders' funds	1,860,408	1,184,365

MICHAEL I HOLDSWORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 FEBRUARY 2004

19 Contingent liabilities

The company guarantees group and related party indebtedness.

20 Financial commitments

At 29 February 2004 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2004	2003	2004	2003
	£	£	£	£
Expiry date:				
Within one year	156,060	151,800	7,335	8,928
Between two and five years	-	-	309,761	297,410
In over five years	119,500	85,500	30,635	570
	<u>275,560</u>	<u>237,300</u>	<u>347,731</u>	<u>306,908</u>

21 Directors' emoluments

	2004	2003
	£	£
Emoluments for qualifying services	803,164	371,853
Company pension contributions to money purchase schemes	23,930	17,472
	<u>827,094</u>	<u>389,325</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 3 (2003- 3).

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	<u>492,668</u>	<u>192,669</u>
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MICHAEL I HOLDSWORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 FEBRUARY 2004

22 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2004 Number	2003 Number
Administration employees	22	24
Management employees	2	2
Selling and distribution employees	116	117
	<u>140</u>	<u>143</u>

Employment costs

	£	£
Wages and salaries	3,486,980	2,799,736
Social security costs	276,835	247,100
Other pension costs	76,481	67,695
	<u>3,840,296</u>	<u>3,114,531</u>

23 Control

Throughout the year, the company was a wholly owned subsidiary of Holdsworth Holdings Limited, a company controlled by Mr M I Holdsworth, a director, and members of his close family. Details of the directors' share interests in the company's share capital are set out in the parent company's directors' report.

The company has taken advantage of the exemption to disclose transactions with other group companies conferred by FRS8 Related Party Transactions.

24 Related party transactions

During the year the company had the following transactions with related parties:

	During the year £	Balance at year end £
The Holdsworth Executive Pension Scheme		
Rents	(82,992)	-