

Company Registration No. 2027459 (England and Wales)

MICHAEL I HOLDSWORTH LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2005



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 28 FEBRUARY 2005

The directors present their report and financial statements for the year ended 28 February 2005.

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.

On 28th February 2005 the trading assets of the subsidiary Hippo Campo 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 £424,350 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

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.

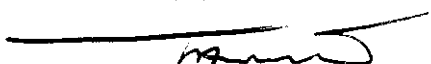
Directors' responsibilities

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
28 September 2005

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 19 for the year ended 28 February 2005. 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.

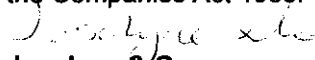
Basis of audit opinion

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 28 February 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Josolyne & Co

28 September 2005

**Chartered Accountants &
Registered Auditor**

Silk House,
Park Green
Macclesfield
Cheshire
SK11 7QW

MICHAEL I HOLDSWORTH LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 28 FEBRUARY 2005

	Notes	2005 £	2004 £
Turnover	2	30,219,981	26,935,303
Cost of sales		(22,311,637)	(20,123,220)
Gross profit		7,908,344	6,812,083
Distribution costs		(5,016,174)	(4,298,539)
Administrative expenses		(2,279,841)	(2,341,596)
Other operating income		231,818	186,656
Operating profit	3	844,147	358,604
Investment income	4	1,070,420	739,142
Other interest receivable and similar income		24,278	20,152
Amounts written off investments		(1,157,655)	-
Interest payable and similar charges	5	(49,268)	(40,344)
Loan waived		200,004	-
Profit on ordinary activities before taxation		931,926	1,077,554
Tax on profit on ordinary activities	6	(252,234)	(133,311)
Profit on ordinary activities after taxation		679,692	944,243
Dividends	7	(424,350)	(268,200)
Retained profit for the year	18	255,342	676,043

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

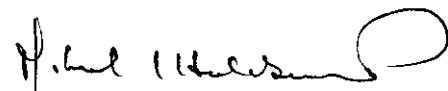
There are no recognised gains and losses other than those passing through the profit and loss account.

MICHAEL I HOLDSWORTH LIMITED

BALANCE SHEET AS AT 28 FEBRUARY 2005

	Notes	2005 £	£	2004 £	£
Fixed assets					
Intangible assets	8	923,898		327,718	
Tangible assets	9	1,129,478		887,794	
Investments	10	22,530		1,799,520	
		2,075,906		3,015,032	
Current assets					
Stocks	11	1,751,594	1,203,650		
Debtors	12	3,693,719	2,656,842		
Cash at bank and in hand		1,719,467	407,345		
		7,164,780	4,267,837		
Creditors: amounts falling due within one year	13	(5,695,427)	(3,874,493)		
Net current assets		1,469,353		393,344	
Total assets less current liabilities		3,545,259		3,408,376	
Creditors: amounts falling due after more than one year	14	(1,428,996)		(1,547,968)	
Provisions for liabilities and charges	15	(455)		-	
		2,115,808		1,860,408	
Capital and reserves					
Called up share capital	17	25,058		25,000	
Profit and loss account	18	2,090,750		1,835,408	
Shareholders' funds - equity interests	19	2,115,808		1,860,408	

The financial statements were approved by the Board on 28 September 2005



M I Holdsworth
Director

MICHAEL I HOLDSWORTH LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2005

	2005 £	2005 £	2004 £	2004 £
Net cash inflow from operating activities		1,354,398		1,648,304
Returns on investments and servicing of finance				
Interest received	24,278		20,152	
Interest paid	(49,268)		(40,344)	
Dividends received	351,002		200,000	
Net cash inflow for returns on investments and servicing of finance		326,012		179,808
Taxation		(175,987)		(344,006)
Capital expenditure and financial investment				
Payments to acquire intangible assets	(4,850)		(1,779,500)	
Payments to acquire tangible assets	(138,428)		(26,415)	
Receipts from sales of tangible assets	32,402		121,330	
Receipts from sales of investments	10,971		876,408	
Tangible fixed assets acquired from Hippo Campo Ltd	(257,768)		-	
Fixed asset investment acquired from Hippo Campo Ltd	(2,510)		-	
Net assets acquired from Hippo Campo Ltd	919,610		-	
Net cash outflow for capital expenditure		559,427		(808,177)
Equity dividends paid		(407,100)		(268,200)
Net cash inflow before management of liquid resources and financing		1,656,750		407,729
Financing				
Issue of ordinary share capital	58		-	
Repayment of long term bank loan	(45,162)		(46,835)	
Capital element of hire purchase contracts	(299,524)		(173,706)	
Net cash outflow from financing		(344,628)		(220,541)
Increase in cash in the year		1,312,122		187,188

MICHAEL I HOLDSWORTH LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2005

1	Reconciliation of operating profit to net cash inflow from operating activities			2005	2004
				£	£
	Operating profit			844,147	358,604
	Depreciation of tangible assets			399,748	390,342
	Amortisation of intangible assets			19,544	19,544
	Loss/(profit) on disposal of tangible assets			11,389	(2,753)
	Increase in stocks			(547,944)	(420,481)
	(Increase)/decrease in debtors			(1,046,554)	585,827
	Increase in creditors within one year			1,674,067	717,221
	Net cash inflow from operating activities			1,354,398	1,648,304

2	Analysis of net debt	1 March 2004	Cash flow	Other non-cash changes	28 February 2005
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	407,345	1,312,122	-	1,719,467
	Debt:				
	Finance leases	(473,338)	7,246	-	(466,092)
	Debts falling due within one year	(43,333)	-	-	(43,333)
	Debts falling due after one year	(1,265,334)	45,162	-	(1,220,172)
		(1,782,005)	52,408	-	(1,729,597)
	Net debt	(1,374,660)	1,364,530	-	(10,130)

3	Reconciliation of net cash flow to movement in net debt		2005	2004
			£	£
	Increase in cash in the year		1,312,122	187,188
	Cash outflow/(inflow) from decrease/(increase) in debt and lease financing		52,408	(95,890)
	Movement in net debt in the year		1,364,530	91,298
	Opening net debt		(1,374,660)	(1,465,958)
	Closing net debt		(10,130)	(1,374,660)

MICHAEL I HOLDSWORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2005

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:

Leasehold buildings	Over the lease term
Plant and machinery	Over 5 to 15 years
Motor vehicles	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 basis. 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 28 FEBRUARY 2005

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	2005 £	2004 £
	Operating profit is stated after charging:		
	Amortisation of intangible assets	19,544	19,544
	Depreciation of tangible assets	399,748	390,342
	Loss on disposal of tangible assets	11,389	(2,753)
	Operating lease rentals		
	- Plant and machinery	336,842	325,939
	- Other assets	142,663	107,630
	Auditors' remuneration	10,750	9,950
		<u> </u>	<u> </u>
4	Investment income	2005 £	2004 £
	Income from unlisted investments	1,002	-
	Profit on disposal of unlisted investments	-	40,544
	Income from shares in group undertakings	1,069,418	698,598
		<u> </u>	<u> </u>
		1,070,420	739,142
		<u> </u>	<u> </u>
5	Interest payable	2005 £	2004 £
	On bank loans and overdrafts	27,116	25,277
	Hire purchase interest	22,152	15,067
		<u> </u>	<u> </u>
		49,268	40,344
		<u> </u>	<u> </u>

MICHAEL I HOLDSWORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2005

6	Taxation	2005 £	2004 £
	Domestic current year tax		
	U.K. corporation tax	252,256	135,323
	Adjustment for prior years	(22)	-
	Current tax charge	252,234	135,323
	Deferred tax		
	Origination and reversal of timing differences	-	(2,012)
		252,234	133,311
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	931,926	1,077,554
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2004: 30.00%)	279,578	323,266
	Effects of:		
	Non deductible expenses	294,700	(5,340)
	Depreciation add back	123,341	117,103
	Capital allowances	(124,237)	(90,127)
	Adjustments to previous periods	(22)	-
	Dividends and distributions received	(321,126)	(209,579)
		(27,344)	(187,943)
	Current tax charge	252,234	135,323
7	Dividends	2005 £	2004 £
	Ordinary interim paid	292,100	268,200
	Deferred shares interim paid	115,000	-
	Deferred share final proposed	17,250	-
		424,350	268,200

MICHAEL I HOLDSWORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2005

8 Intangible fixed assets

	Goodwill £
Cost	
At 1 March 2004	390,882
Additions	4,850
Arisen upon hive up of subsidiary	610,874
At 28 February 2005	1,006,606
Amortisation	
At 1 March 2004	63,164
Charge for the year	19,544
At 28 February 2005	82,708
Net book value	
At 28 February 2005	923,898
At 29 February 2004	327,718

MICHAEL I HOLDSWORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2005

9 Tangible fixed assets

	Tenants improvements £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 March 2004	1,760	817,269	768,971	1,588,000
Additions	23,652	72,761	588,810	685,223
Disposals	-	(161,249)	(244,119)	(405,368)
At 28 February 2005	25,412	728,781	1,113,662	1,867,855
Depreciation				
At 1 March 2004	-	447,340	252,866	700,206
On disposals	-	(138,342)	(223,235)	(361,577)
Charge for the year	352	136,629	262,767	399,748
At 28 February 2005	352	445,627	292,398	738,377
Net book value				
At 28 February 2005	25,060	283,154	821,264	1,129,478
At 29 February 2004	1,760	369,929	516,105	887,794

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

	Motor vehicles £
Net book values	
At 28 February 2005	558,939
At 29 February 2004	541,012
Depreciation charge for the year	
At 28 February 2005	201,157
At 29 February 2004	140,508

MICHAEL I HOLDSWORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2005

10 Fixed asset investments

	Shares in group undertakings	Investments other than loans	Total
	£	£	£
Cost			
At 1 March 2004	1,779,500	20,020	1,799,520
Additions	(10,971)	2,510	(8,461)
	<u>1,768,529</u>	<u>22,530</u>	<u>1,791,059</u>
At 28 February 2005	1,768,529	22,530	1,791,059
Provisions for diminution in value			
At 1 March 2004	-	-	-
Transferred to goodwill upon hive up of subsidiary	610,874	-	610,874
Amounts written off	1,157,655	-	1,157,655
	<u>1,768,529</u>	<u>-</u>	<u>1,768,529</u>
At 28 February 2005	1,768,529	-	1,768,529
Net book value			
At 28 February 2005	<u>-</u>	<u>22,530</u>	<u>22,530</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	2005 £	2004 £
Goods for resale	<u>1,751,594</u>	<u>1,203,650</u>

MICHAEL I HOLDSWORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2005

12 Debtors	2005 £	2004 £
Trade debtors	3,332,870	2,257,280
Amounts owed by parent and fellow subsidiary undertakings	-	134,897
Corporation tax	-	9,677
Other debtors	90,275	80,157
Prepayments and accrued income	270,574	174,831
	<u>3,693,719</u>	<u>2,656,842</u>

13 Creditors: amounts falling due within one year	2005 £	2004 £
Bank loans (secured)	43,333	43,333
Net obligations under hire purchase contracts	257,268	190,704
Trade creditors	3,689,437	2,016,371
Amounts owed to parent and fellow subsidiary undertakings	360,378	339,476
Corporation tax	263,165	57,686
Other taxes and social security costs	113,475	90,410
Directors' current accounts	192,289	47,733
Other creditors	80,750	29,616
Accruals and deferred income	695,332	1,059,164
	<u>5,695,427</u>	<u>3,874,493</u>

MICHAEL I HOLDSWORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2005

14 Creditors: amounts falling due after more than one year	2005 £	2004 £
Bank loans	401,835	446,997
Net obligations under hire purchase contracts	208,824	282,634
Amounts owed to group undertakings and undertakings in which the company has a participating interest	818,337	818,337
	<u>1,428,996</u>	<u>1,547,968</u>
Analysis of loans		
Not wholly repayable within five years by instalments:		
	<u>445,168</u>	<u>490,330</u>
	445,168	490,330
Included in current liabilities	<u>(43,333)</u>	<u>(43,333)</u>
	<u>401,835</u>	<u>446,997</u>
Instalments not due within five years	<u>228,502</u>	<u>273,664</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>228,502</u>	<u>273,664</u>
Net obligations under hire purchase contracts		
Repayable within one year	254,018	190,704
Repayable between one and five years	208,823	282,633
	<u>462,841</u>	<u>473,337</u>
Included in liabilities falling due within one year	<u>(257,268)</u>	<u>(190,704)</u>
	<u>205,573</u>	<u>282,633</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 28 FEBRUARY 2005

15 Provisions for liabilities and charges

	Deferred tax liability £
Transferred from Hippo Campo Ltd	455
Balance at 28 February 2005	455

The deferred tax liability is made up as follows:

	2005 £	2004 £
Accelerated capital allowances	455	-

16 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.

	2005 £	2004 £
Contributions payable by the company for the year	71,731	76,481

MICHAEL I HOLDSWORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2005

17 Share capital	2005 £	2004 £
Authorised		
25,000 Ordinary shares of £1 each	25,000	25,000
10,000 Deferred shares of 1p each	100	-
	<u>25,100</u>	<u>25,000</u>
 Allotted, called up and fully paid		
25,000 Ordinary shares of £1 each	25,000	25,000
5,750 Deferred shares of 1p each	58	-
	<u>25,058</u>	<u>25,000</u>

On the 1st July 2004 the authorised share capital was increased from 25,000 to 25,100 by the creation of an additional 10,000 'Deferred' shares of £0.01 each. During the year the company issued 5,750 'Deferred' shares of £0.01 each.

Rights attached to 'Deferred' shares

Entitled to participate in dividends declared on the 'Deferred' shares but are not entitled to receive notice nor attend or vote at General Meetings of the Company. Shareholders are entitled to a return of £0.01 per share in the event of a distribution on the winding up of the company.

18 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 March 2004	1,835,408
Retained profit for the year	<u>255,342</u>
Balance at 28 February 2005	<u>2,090,750</u>

MICHAEL I HOLDSWORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2005

19 Reconciliation of movements in shareholders' funds	2005 £	2004 £
Profit for the financial year	679,692	944,243
Dividends	(424,350)	(268,200)
	<u>255,342</u>	<u>676,043</u>
Proceeds from issue of shares	58	-
	<u>255,400</u>	<u>676,043</u>
Net addition to shareholders' funds	1,860,408	1,184,365
Opening shareholders' funds		
	<u>2,115,808</u>	<u>1,860,408</u>
Closing shareholders' funds		

20 Contingent liabilities

The company guarantees group and related party indebtedness.

21 Financial commitments

At 28 February 2005 the company was committed to making the following payments under non-cancellable operating leases in the year 28 February 2006:

	Land and buildings		Other	
	2005 £	2004 £	2005 £	2004 £
Operating leases which expire:				
Within one year	-	156,060	36,483	7,335
Between two and five years	67,000	-	343,967	309,761
In over five years	412,600	239,500	-	30,635
	<u>479,600</u>	<u>395,560</u>	<u>380,450</u>	<u>347,731</u>

MICHAEL I HOLDSWORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2005

22 Directors' emoluments	2005 £	2004 £
Emoluments for qualifying services	541,106	803,164
Company pension contributions to money purchase schemes	16,747	23,930
	<u>557,853</u>	<u>827,094</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2004 - 3).

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

Emoluments for qualifying services	<u>335,893</u>	<u>492,668</u>
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23 Employees

Number of employees

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

	2005 Number	2004 Number
Administration employees	21	22
Management employees	2	2
Selling and distribution employees	142	116
	<u>165</u>	<u>140</u>

Employment costs	2005 £	2004 £
Wages and salaries	3,799,116	3,486,980
Social security costs	353,142	276,835
Other pension costs	71,731	76,481
	<u>4,223,989</u>	<u>3,840,296</u>

MICHAEL I HOLDSWORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2005

24 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.

25 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)	-
	<u> </u>	<u> </u>