

Company Registration No. 2027459 (England and Wales)

MICHAEL I HOLDSWORTH LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2006



MICHAEL I HOLDSWORTH LIMITED

COMPANY INFORMATION

Directors	Mr M I Holdsworth Mr J A Marriott Mrs R Warhurst
Secretary	Miss E V Holdsworth
Company number	2027459
Registered office	Manchester Road Tideswell Buxton Derbyshire SK17 8LN
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 2006

The directors present their report and financial statements for the year ended 28 February 2006.

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.

Results and dividends

The results for the year are set out on page 4.

Interim dividends amounting to £409,750 having been paid during the year, the directors do not recommend a final dividend.

Directors

The following directors have held office since 1 March 2005:

Mr M I Holdsworth

Mr J A Marriott

Mrs R Warhurst

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £1 each	
	28 February 2006	1 March 2005
Mr M I Holdsworth	-	-
Mr J A Marriott	-	-
Mrs R Warhurst	-	-

	Deferred shares of 1p each	
	28 February 2006	1 March 2005
Mr M I Holdsworth	-	-
Mr J A Marriott	-	-
Mrs R Warhurst	-	-

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.

MICHAEL I HOLDSWORTH LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2006

Directors' responsibilities

The directors are responsible for preparing 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 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 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.

Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



Mr J A Marriott

Director

7 November 2006

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 for the year ended 28 February 2006 set out on pages 4 to 19. These financial statements have been prepared under 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 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 the directors and auditors

As described in the Statement of Directors' Responsibilities on page 2 the company's directors are responsible for the preparation of the 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 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 other transactions 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 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 in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 28 February 2006 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

Josolyne & Co

Josolyne & Co
Chartered Accountants
Registered Auditor

7 November 2006

Silk House,
Park Green
Macclesfield
Cheshire
SK11 7QW

MICHAEL I HOLDSWORTH LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 28 FEBRUARY 2006

	Notes	2006 £	2005 £
Turnover	2	42,800,728	30,219,981
Cost of sales		(31,149,068)	(22,311,637)
Gross profit		11,651,660	7,908,344
Distribution costs		(6,625,280)	(5,016,174)
Administrative expenses		(3,718,962)	(2,279,841)
Other operating income		141,288	231,818
Operating profit	3	1,448,706	844,147
Investment income	4	2,884	1,002
Other interest receivable and similar income		68,212	24,278
Amounts written off investments		-	(88,237)
Interest payable and similar charges	5	(75,440)	(49,268)
Loan waived		-	200,004
Profit on ordinary activities before taxation		1,444,362	931,926
Tax on profit on ordinary activities	6	(435,339)	(252,234)
Profit on ordinary activities after taxation		1,009,023	679,692
Dividends	7	(409,750)	(424,350)
Retained profit for the year	17	599,273	255,342

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

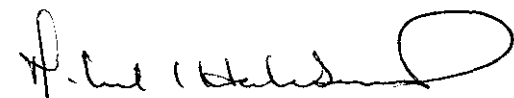
There are no recognised gains and losses other than those passing through the profit and loss account.

MICHAEL I HOLDSWORTH LIMITED

BALANCE SHEET AS AT 28 FEBRUARY 2006

	Notes	2006 £	£	2005 £	£
Fixed assets					
Intangible assets	8	869,874		923,898	
Tangible assets	9	1,361,004		1,129,478	
Investments	10	22,530		22,530	
		<u>2,253,408</u>		<u>2,075,906</u>	
Current assets					
Stocks	11	1,959,355		1,751,594	
Debtors	12	3,902,686		3,693,719	
Cash at bank and in hand		756,763		1,719,467	
		<u>6,618,804</u>		<u>7,164,780</u>	
Creditors: amounts falling due within one year	13	<u>(5,265,635)</u>		<u>(5,695,427)</u>	
Net current assets		<u>1,353,169</u>		<u>1,469,353</u>	
Total assets less current liabilities		<u>3,606,577</u>		<u>3,545,259</u>	
Creditors: amounts falling due after more than one year	14	(891,496)		(1,428,996)	
Provisions for liabilities and charges		-		(455)	
		<u>2,715,081</u>		<u>2,115,808</u>	
Capital and reserves					
Called up share capital	16	25,058		25,058	
Profit and loss account	17	2,690,023		2,090,750	
Shareholders' funds - equity interests	18	<u>2,715,081</u>		<u>2,115,808</u>	

The financial statements were approved by the Board on 7 November 2006



M I Holdsworth
Director

MICHAEL I HOLDSWORTH LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2006

	2006 £	2006 £	2005 £	2005 £
Net cash inflow from operating activities		609,290		1,354,398
Returns on investments and servicing of finance				
Interest received	68,212		24,278	
Interest paid	(75,440)		(49,268)	
Dividends received	1,021,884		351,002	
Net cash outflow for returns on investments and servicing of finance		1,014,656		326,012
Taxation		(513,082)		(175,987)
Capital expenditure and financial investment				
Payments to acquire intangible assets	-		(4,850)	
Payments to acquire tangible assets	(233,949)		(138,428)	
Payments to acquire investments	(1,019,000)		-	
Receipts from sales of tangible assets	52,290		32,402	
Receipts from sales of investments	-		10,971	
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		(1,200,659)		559,427
Equity dividends paid		(409,750)		(407,100)
Net cash (outflow)/inflow before management of liquid resources and financing		(499,545)		1,656,750
Financing				
Issue of ordinary share capital	-		58	
Repayment of long term bank loan	(47,382)		(45,162)	
Capital element of hire purchase contracts	(415,777)		(299,524)	
Net cash outflow from financing		(463,159)		(344,628)
(Decrease)/increase in cash in the year		(962,704)		1,312,122

MICHAEL I HOLDSWORTH LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2006

1	Reconciliation of operating profit to net cash inflow from operating activities	2006	2005
		£	£
	Operating profit	1,448,706	844,147
	Depreciation of tangible assets	556,630	399,748
	Amortisation of intangible assets	54,024	19,544
	(Profit)/loss on disposal of tangible assets	(22,118)	11,389
	Increase in stocks	(207,761)	(547,944)
	Increase in debtors	(208,967)	(1,046,554)
	(Decrease)/Increase in creditors within one year	(1,011,224)	1,674,067
	Net cash inflow from operating activities	609,290	1,354,398

2	Analysis of net debt	1 March 2005	Cash flow	Other non-cash changes	28 February 2006
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	1,719,467	(962,704)	-	756,763
	Debt:				
	Finance leases	(466,092)	(168,602)	-	(634,694)
	Debts falling due within one year	(43,333)	-	-	(43,333)
	Debts falling due after one year	(1,220,172)	582,623	-	(637,549)
		(1,729,597)	414,021	-	(1,315,576)
	Net debt	(10,130)	(548,683)	-	(558,813)

3	Reconciliation of net cash flow to movement in net debt	2006	2005
		£	£
	(Decrease)/increase in cash in the year	(962,704)	1,312,122
	Cash outflow from decrease in debt and lease financing	414,021	52,408
	Movement in net debt in the year	(548,683)	1,364,530
	Opening net debt	(10,130)	(1,374,660)
	Closing net debt	(558,813)	(10,130)

MICHAEL I HOLDSWORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2006

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 2006

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	2006 £	2005 £
	Operating profit is stated after charging/(crediting):		
	Amortisation of intangible assets	54,024	19,544
	Depreciation of tangible assets	556,630	399,748
	(Profit)/loss on disposal of tangible assets	(22,118)	11,389
	Operating lease rentals		
	- Plant and machinery	387,761	336,842
	- Other assets	208,452	142,663
	Auditors' remuneration	13,500	10,750
		<u> </u>	<u> </u>
4	Investment income	2006 £	2005 £
	Income from unlisted investments	-	1,002
	Income from shares in group undertakings net of write off	2,884	-
		<u> </u>	<u> </u>
		2,884	1,002
		<u> </u>	<u> </u>
5	Interest payable	2006 £	2005 £
	On bank loans and overdrafts	24,618	27,116
	On other loans wholly repayable within five years	18,342	-
	Hire purchase interest	32,444	22,152
	Other interest	36	-
		<u> </u>	<u> </u>
		75,440	49,268
		<u> </u>	<u> </u>

MICHAEL I HOLDSWORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2006

6	Taxation	2006 £	2005 £
	Domestic current year tax		
	U.K. corporation tax	435,877	252,256
	Adjustment for prior years	(83)	(22)
	Current tax charge	<u>435,794</u>	<u>252,234</u>
	Deferred tax		
	Origination and reversal of timing differences	(455)	-
		<u>435,339</u>	<u>252,234</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>1,444,362</u>	<u>931,926</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2005 - 30.00%)	<u>433,309</u>	<u>279,578</u>
	Effects of:		
	Non deductible expenses	17,585	294,700
	Depreciation add back	160,354	123,341
	Capital allowances	(175,371)	(124,237)
	Adjustments to previous periods	(83)	(22)
	Dividends and distributions received	-	(321,126)
		<u>2,485</u>	<u>(27,344)</u>
	Current tax charge	<u>435,794</u>	<u>252,234</u>
7	Dividends	2006 £	2005 £
	Ordinary shares interim paid	409,750	292,100
	Deferred shares interim paid	-	115,000
	Deferred shares final proposed	-	17,250
		<u>409,750</u>	<u>424,350</u>

MICHAEL I HOLDSWORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2006

8 Intangible fixed assets

	Goodwill £
Cost	
At 1 March 2005 & at 28 February 2006	1,006,606
Amortisation	
At 1 March 2005	82,708
Charge for the year	54,024
At 28 February 2006	136,732
Net book value	
At 28 February 2006	869,874
At 28 February 2005	923,898

MICHAEL I HOLDSWORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2006

9 Tangible fixed assets

	Tenants improvements £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 March 2005	25,412	728,781	1,113,662	1,867,855
Additions	-	84,587	733,741	818,328
Disposals	-	(164,397)	(329,186)	(493,583)
At 28 February 2006	25,412	648,971	1,518,217	2,192,600
Depreciation				
At 1 March 2005	352	445,627	292,398	738,377
On disposals	-	(157,174)	(306,237)	(463,411)
Charge for the year	2,200	110,585	443,845	556,630
At 28 February 2006	2,552	399,038	430,006	831,596
Net book value				
At 28 February 2006	22,860	249,933	1,088,211	1,361,004
At 28 February 2005	25,060	283,154	821,264	1,129,478

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

	Motor vehicles £
Net book values	
At 28 February 2006	830,825
At 28 February 2005	558,939
Depreciation charge for the year	
At 28 February 2006	303,574
At 28 February 2005	201,157

MICHAEL I HOLDSWORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2006

10 Fixed asset investments

	Shares in group undertakings £	Investments other than loans £	Total £
Cost			
At 1 March 2005	1,768,529	22,530	1,791,059
Additions	1,019,000	-	1,019,000
At 28 February 2006	2,787,529	22,530	2,810,059
Provisions for diminution in value			
At 1 March 2005	1,768,529	-	1,768,529
Charge for the year	1,019,000	-	1,019,000
At 28 February 2006	2,787,529	-	2,787,529
Net book value			
At 28 February 2006	-	22,530	22,530
At 28 February 2005	-	22,530	22,530

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 (non-trading)	England	Ordinary	100
Michael I Holdsworth Investments	England	Ordinary	100

11 Stocks	2006 £	2005 £
Goods for resale	1,959,355	1,751,594

MICHAEL I HOLDSWORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2006

12 Debtors	2006 £	2005 £
Trade debtors	3,494,656	3,332,870
Other debtors	164,804	90,275
Prepayments and accrued income	243,226	270,574
	<u>3,902,686</u>	<u>3,693,719</u>
13 Creditors: amounts falling due within one year	2006 £	2005 £
Bank loans (secured)	43,333	43,333
Net obligations under hire purchase contracts	380,747	257,268
Trade creditors	3,221,695	3,726,465
Amounts owed to parent and fellow subsidiary undertakings	414,232	360,378
Corporation tax	185,877	263,165
Other taxes and social security costs	264,117	131,921
Directors' current accounts	112,559	192,289
Other creditors	125,121	80,750
Accruals and deferred income	517,954	639,858
	<u>5,265,635</u>	<u>5,695,427</u>

MICHAEL I HOLDSWORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2006

14 Creditors: amounts falling due after more than one year	2006 £	2005 £
Bank loans	354,453	401,835
Net obligations under hire purchase contracts	253,947	208,824
Amounts owed to group undertakings and undertakings in which the company has a participating interest	283,096	818,337
	<u>891,496</u>	<u>1,428,996</u>
Analysis of loans		
Not wholly repayable within five years by instalments:	(397,786)	(445,168)
	<u>397,786</u>	<u>445,168</u>
Included in current liabilities	(43,333)	(43,333)
	<u>354,453</u>	<u>401,835</u>
Instalments not due within five years	<u>181,120</u>	<u>228,502</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>181,120</u>	<u>228,502</u>
Net obligations under hire purchase contracts		
Repayable within one year	380,747	254,018
Repayable between one and five years	253,947	208,823
	<u>634,694</u>	<u>462,841</u>
Included in liabilities falling due within one year	(380,747)	(257,268)
	<u>253,947</u>	<u>205,573</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 2006

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.

	2006 £	2005 £
Contributions payable by the company for the year	140,002	71,731

16 Share capital

	2006 £	2005 £
Authorised		
25,000 Ordinary shares of £1 each	25,000	25,000
10,000 Deferred shares of 1p each	100	100
	25,100	25,100
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	58
	25,058	25,058

17 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 March 2005	2,090,750
Retained profit for the year	599,273
Balance at 28 February 2006	2,690,023

MICHAEL I HOLDSWORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2006

18 Reconciliation of movements in shareholders' funds	2006 £	2005 £
Profit for the financial year	1,009,023	679,692
Dividends	(409,750)	(424,350)
	<u>599,273</u>	<u>255,342</u>
Proceeds from issue of shares	-	58
	<u>599,273</u>	<u>255,400</u>
Net addition to shareholders' funds	2,115,808	1,860,408
Opening shareholders' funds		
	<u>2,715,081</u>	<u>2,115,808</u>
Closing shareholders' funds		

19 Contingent liabilities

The company guarantees group and related party indebtedness.

20 Financial commitments

At 28 February 2006 the company was committed to making the following payments under non-cancellable operating leases in the year to 28 February 2007:

	Land and buildings		Other	
	2006 £	2005 £	2006 £	2005 £
Operating leases which expire:				
Within one year	-	-	6,240	36,483
Between two and five years	141,500	67,000	357,222	343,967
In over five years	376,100	412,600	-	-
	<u>517,600</u>	<u>479,600</u>	<u>363,462</u>	<u>380,450</u>

21 Capital commitments

At 28 February 2006 the company had capital commitments as follows:

	£
Contracted for but not provided in the financial statements	
Vehicles	<u>212,776</u>

MICHAEL I HOLDSWORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2006

22 Directors' emoluments	2006 £	2005 £
Emoluments for qualifying services	1,162,029	541,106
Company pension contributions to money purchase schemes	17,535	16,747
	<u>1,179,564</u>	<u>557,853</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2005 - 3).

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

Emoluments for qualifying services	<u>813,731</u>	<u>335,893</u>
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23 Employees

Number of employees

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

	2006 Number	2005 Number
Administration employees	27	21
Management employees	2	2
Selling and distribution employees	197	142
	<u>226</u>	<u>165</u>

Employment costs	2006 £	2005 £
Wages and salaries	5,565,701	3,799,116
Social security costs	583,740	353,142
Other pension costs	140,002	71,731
	<u>6,289,443</u>	<u>4,223,989</u>

MICHAEL I HOLDSWORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2006

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>