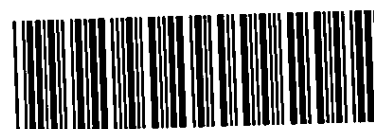


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Company Registration No. 2027459 (England and Wales)

MICHAEL I HOLDSWORTH LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2007

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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 2007

The directors present their report and financial statements for the year ended 28 February 2007

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, chilled and ambient foods

This year we have undertaken major investments within the company by completely revamping both the cold store and dry store at our Evesham depot and the cold store at our Welsh Depot, now providing us with the latest efficient and environmentally friendly refrigeration equipment. We have replaced our fleet of vehicles at our Welsh depot with new and again more environmentally friendly refrigeration systems

We are a family owned business and pride ourselves in supplying quality foods supported by providing a first class service which can only be complimented by our commitment to have a well trained and motivated work force with an emphasis on staff retention. We join together and follow strict housekeeping procedures, working closely with our insurance company to sustain our high standards and support our risk management policies

We strive to minimise the impact our trading activities have on the environment and have increased recycling facilities at our five depots and joined the Cold Store Distribution Federation to actively pursue the challenges to decrease our energy emissions

Results and dividends

The results for the year are set out on page 4

Dividends amounting to £473,250 were paid during the year

Directors

The following directors have held office since 1 March 2006

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 2007	1 March 2006
Mr M I Holdsworth	-	-
Mr J A Marriott	-	-
Mrs R Warhurst	-	-

	Deferred shares of 1p each	
	28 February 2007	1 March 2006
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 2007

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 that 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

8 November 2007

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 2007 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 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and 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

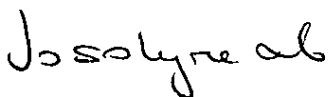
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements.



Josolyne & Co
Chartered Accountants
Registered Auditor

8 November 2007

Silk House,
Park Green
Macclesfield
Cheshire
SK11 7QW

MICHAEL I HOLDSWORTH LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 28 FEBRUARY 2007

	Notes	2007 £	2006 £
Turnover	2	45,149,802	42,800,728
Cost of sales		(32,705,801)	(31,148,620)
Gross profit		12,444,001	11,652,108
Distribution costs		(7,046,071)	(6,625,280)
Administrative expenses		(4,006,698)	(3,718,962)
Other operating income		80,090	140,840
Operating profit	3	1,471,322	1,448,706
Investment income	4	-	2,884
Other interest receivable and similar income		51,957	68,212
Interest payable and similar charges	5	(64,041)	(75,440)
Profit on ordinary activities before taxation		1,459,238	1,444,362
Tax on profit on ordinary activities	6	(450,861)	(435,339)
Profit on ordinary activities after taxation		1,008,377	1,009,023

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

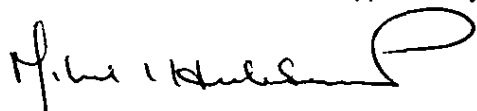
There are no recognised gains and losses other than those passing through the profit and loss account

MICHAEL I HOLDSWORTH LIMITED

BALANCE SHEET AS AT 28 FEBRUARY 2007

	Notes	2007 £	£	2006 £	£
Fixed assets					
Intangible assets	8	815,850		869,874	
Tangible assets	9	1,891,535		1,361,004	
Investments	10	22,530		22,530	
		<u>2,729,915</u>		<u>2,253,408</u>	
Current assets					
Stocks	11	2,103,508		1,959,355	
Debtors	12	4,049,238		3,902,686	
Cash at bank and in hand		55,482		756,763	
		<u>6,208,228</u>		<u>6,618,804</u>	
Creditors: amounts falling due within one year	13	<u>(5,124,696)</u>		<u>(5,265,635)</u>	
Net current assets		<u>1,083,532</u>		<u>1,353,169</u>	
Total assets less current liabilities		<u>3,813,447</u>		<u>3,606,577</u>	
Creditors: amounts falling due after more than one year	14	(519,438)		(891,496)	
Provisions for liabilities and charges	15	(43,801)		-	
		<u>3,250,208</u>		<u>2,715,081</u>	
Capital and reserves					
Called up share capital	17	25,058		25,058	
Profit and loss account	18	3,225,150		2,690,023	
Shareholders' funds - equity interests	19	<u>3,250,208</u>		<u>2,715,081</u>	

The financial statements were approved by the Board on 8 November 2007


M I Holdsworth
Director

MICHAEL I HOLDSWORTH LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2007

	2007 £	2007 £	2006 £	2006 £
Net cash inflow from operating activities		1,202,663		609,290
Returns on investments and servicing of finance				
Interest received	51,957		68,212	
Interest paid	(64,041)		(75,440)	
Dividends received	-		1,021,884	
Net cash outflow for returns on investments and servicing of finance		(12,084)		1,014,656
Taxation		(435,877)		(513,082)
Capital expenditure and financial investment				
Payments to acquire tangible assets	(509,564)		(233,949)	
Payments to acquire investments	-		(1,019,000)	
Receipts from sales of tangible assets	107,464		52,290	
Receipts from sales of investments	-		-	
Net cash outflow for capital expenditure		(402,100)		(1,200,659)
Equity dividends paid		(473,250)		(409,750)
Net cash outflow before management of liquid resources and financing		(120,648)		(499,545)
Financing				
Repayment of long term bank loan	(49,833)		(47,382)	
Capital element of hire purchase contracts	(530,800)		(415,777)	
Net cash outflow from financing		(580,633)		(463,159)
Decrease in cash in the year		(701,281)		(962,704)

MICHAEL I HOLDSWORTH LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2007

1	Reconciliation of operating profit to net cash inflow from operating activities	2007		2006	
		£		£	
	Operating profit	1,471,322		1,448,706	
	Depreciation of tangible assets	672,300		556,630	
	Amortisation of intangible assets	54,024		54,024	
	Profit on disposal of tangible assets	(23,401)		(22,118)	
	Increase in stocks	(144,153)		(207,761)	
	Increase in debtors	(146,552)		(208,967)	
	Decrease in creditors within one year	(680,877)		(1,011,224)	
	Net cash inflow from operating activities	1,202,663		609,290	
2	Analysis of net debt	1 March 2006		28 February 2007	
		£		£	
	Net cash				
	Cash at bank and in hand	756,763	(701,281)	-	55,482
	Debt				
	Finance leases	(634,694)	49,357	-	(585,337)
	Debts falling due within one year	(43,333)	-	-	(43,333)
	Debts falling due after one year	(637,549)	332,929	-	(304,620)
		(1,315,576)	382,286	-	(933,290)
	Net debt	(558,813)	(318,995)	-	(877,808)
3	Reconciliation of net cash flow to movement in net debt	2007		2006	
		£		£	
	Decrease in cash in the year	(701,281)		(962,704)	
	Cash outflow from decrease in debt and lease financing	382,286		414,021	
	Movement in net debt in the year	(318,995)		(548,683)	
	Opening net debt	(558,813)		(10,130)	
	Closing net debt	(877,808)		(558,813)	

MICHAEL I HOLDSWORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2007

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

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	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

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

MICHAEL I HOLDSWORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2007

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	2007 £	2006 £
Operating profit is stated after charging		
Amortisation of intangible assets	54,024	54,024
Depreciation of tangible assets	672,300	556,630
Operating lease rentals		
- Plant and machinery	405,569	387,761
- Other assets	231,694	208,452
Auditors' remuneration	13,750	13,500
and after crediting		
Profit on disposal of tangible assets	(23,401)	(22,118)

4 Investment income	2007 £	2006 £
Income from shares in group undertakings	-	2,884
	-	2,884

5 Interest payable	2007 £	2006 £
On bank loans and overdrafts	22,166	24,618
On other loans wholly repayable within five years	-	18,342
Hire purchase interest	41,858	32,444
Other interest	17	36
	64,041	75,440

MICHAEL I HOLDSWORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2007

6	Taxation	2007 £	2006 £
	Domestic current year tax		
	U K corporation tax	407,060	435,877
	Adjustment for prior years	-	(83)
	Current tax charge	407,060	435,794
	Deferred tax		
	Origination and reversal of timing differences	43,801	(455)
		450,861	435,339
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	1,459,238	1,444,362
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2006 - 30.00%)	437,771	433,309
	Effects of		
	Non deductible expenses	13,945	17,585
	Depreciation add back	201,690	160,354
	Capital allowances	(246,346)	(175,371)
	Adjustments to previous periods	-	(83)
		(30,711)	2,485
	Current tax charge	407,060	435,794
7	Dividends	2007 £	2006 £
	Ordinary shares interim paid	456,000	409,750
	Deferred shares paid	17,250	-
		473,250	409,750

MICHAEL I HOLDSWORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2007

8 Intangible fixed assets

	Goodwill £
Cost	
At 1 March 2006 & at 28 February 2007	1,006,606
Amortisation	
At 1 March 2006	136,732
Charge for the year	54,024
At 28 February 2007	190,756
Net book value	
At 28 February 2007	815,850
At 28 February 2006	869,874

MICHAEL I HOLDSWORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2007

9 Tangible fixed assets

	Tenants improvements £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 March 2006	25,412	648,971	1,518,217	2,192,600
Additions	-	615,075	671,819	1,286,894
Disposals	-	(17,415)	(385,860)	(403,275)
At 28 February 2007	25,412	1,246,631	1,804,176	3,076,219
Depreciation				
At 1 March 2006	2,552	399,038	430,006	831,596
On disposals	-	(14,360)	(304,852)	(319,212)
Charge for the year	2,200	138,507	531,593	672,300
At 28 February 2007	4,752	523,185	656,747	1,184,684
Net book value				
At 28 February 2007	20,660	723,446	1,147,429	1,891,535
At 28 February 2006	22,860	249,933	1,088,211	1,361,004

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

	Motor vehicles £
Net book values	
At 28 February 2007	891,074
At 28 February 2006	830,825
Depreciation charge for the year	
At 28 February 2007	404,473
At 28 February 2006	303,574

MICHAEL I HOLDSWORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2007

10 Fixed asset investments

	Shares in group undertakings £	Investments other than loans £	Total £
Cost			
At 1 March 2006	2,787,529	22,530	2,810,059
Disposals	(2,787,529)	-	(2,787,529)
At 28 February 2007	-	22,530	22,530
Provisions for diminution in value			
At 1 March 2006	2,787,529	-	2,787,529
On disposals	(2,787,529)	-	(2,787,529)
At 28 February 2007	-	-	-
Net book value			
At 28 February 2007	-	22,530	22,530
At 28 February 2006	-	22,530	22,530

Holdings of more than 20%

At the end of the year the company had no holdings in any subsidiary undertakings

11 Stocks

	2007 £	2006 £
Finished goods and goods for resale	2,103,508	1,959,355

12 Debtors

	2007 £	2006 £
Trade debtors	3,807,213	3,494,656
Other debtors	21,891	164,804
Prepayments and accrued income	220,134	243,226
	4,049,238	3,902,686

MICHAEL I HOLDSWORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2007

13 Creditors' amounts falling due within one year	2007 £	2006 £
Bank loans and overdrafts	43,333	43,333
Net obligations under hire purchase contracts	370,519	380,747
Trade creditors	3,172,975	3,221,695
Amounts owed to parent and fellow subsidiary undertakings	520,297	414,232
Corporation tax	157,060	185,877
Other taxes and social security costs	143,539	264,117
Directors' current accounts	69,507	112,559
Other creditors	71,044	125,121
Accruals and deferred income	576,422	517,954
	<u>5,124,696</u>	<u>5,265,635</u>

MICHAEL I HOLDSWORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2007

14 Creditors: amounts falling due after more than one year	2007 £	2006 £
Bank loans	304,620	354,453
Net obligations under hire purchase contracts	214,818	253,947
Amounts owed to group undertakings and undertakings in which the company has a participating interest	-	283,096
	<u>519,438</u>	<u>891,496</u>
Analysis of loans		
Not wholly repayable within five years by instalments	347,953	397,786
Included in current liabilities	(43,333)	(43,333)
	<u>304,620</u>	<u>354,453</u>
Instalments not due within five years	<u>131,287</u>	<u>181,120</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>131,287</u>	<u>181,120</u>
Net obligations under hire purchase contracts		
Repayable within one year	370,519	380,747
Repayable between one and five years	214,818	253,947
	<u>585,337</u>	<u>634,694</u>
Included in liabilities falling due within one year	<u>(370,519)</u>	<u>(380,747)</u>
	<u>214,818</u>	<u>253,947</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 2007

15 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 1 March 2006	-
Profit and loss account	43,801
	<u>43,801</u>
Balance at 28 February 2007	<u>43,801</u>

The deferred tax liability is made up as follows.

	2007 £	2006 £
Accelerated capital allowances	<u>43,801</u>	<u>-</u>

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.

	2007 £	2006 £
Contributions payable by the company for the year	<u>122,954</u>	<u>140,002</u>

MICHAEL I HOLDSWORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2007

17 Share capital	2007	2006
	£	£
Authorised		
25,000 Ordinary shares of £1 each	25,000	25,000
10,000 Deferred shares of 1p each	100	100
	<u>25,100</u>	<u>25,100</u>
 Allotted, called up and fully paid		
25,000 Ordinary shares of £1 each	25,000	25,000
5,800 Deferred shares of 1p each	58	58
	<u>25,058</u>	<u>25,058</u>
 18 Statement of movements on profit and loss account		Profit and loss account £
Balance at 1 March 2006		2,690,023
Profit for the year		1,008,377
Dividends paid		(473,250)
Balance at 28 February 2007		<u>3,225,150</u>
 19 Reconciliation of movements in shareholders' funds	2007	2006
	£	£
Profit for the financial year	1,008,377	1,009,023
Dividends	(473,250)	(409,750)
Net addition to shareholders' funds	<u>535,127</u>	<u>599,273</u>
Opening shareholders' funds	2,715,081	2,115,808
Closing shareholders' funds	<u>3,250,208</u>	<u>2,715,081</u>

20 Contingent liabilities

The company guarantees group and related party indebtedness

MICHAEL I HOLDSWORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2007

21 Financial commitments

At 28 February 2007 the company was committed to making the following payments under non-cancellable operating leases in the year to 28 February 2008

	Land and buildings			
	2007	2006	2007	Other 2006
	£	£	£	£
Operating leases which expire				
Within one year	-	-	30,537	6,240
Between two and five years	141,500	141,500	283,284	357,222
In over five years	396,211	376,100	-	-
	<u>537,711</u>	<u>517,600</u>	<u>313,821</u>	<u>363,462</u>

22 Capital commitments

2007
£

2006
£

At 28 February 2007 the company had capital commitments as follows

Commitments under finance leases entered into but whose inception occurs after 28 February 2007	<u>336,285</u>	<u>212,776</u>
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23 Directors' emoluments

2007
£

2006
£

Emoluments for qualifying services	1,663,396	1,162,029
Company pension contributions to money purchase schemes	<u>18,274</u>	<u>17,535</u>

Included in directors remuneration are contributions of £2,000 to the Michael I Holdsworth Settlement, a discretionary trust created to provide benefits to employees of the company

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2006 - 2)

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

Emoluments for qualifying services	<u>1,304,924</u>	<u>813,731</u>
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MICHAEL I HOLDSWORTH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2007

24 Employees

Number of employees

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

	2007 Number	2006 Number
Administration employees	25	27
Management employees	2	2
Selling and distribution employees	201	197
	<u>228</u>	<u>226</u>

Employment costs

	2007 £	2006 £
Wages and salaries	6,253,768	5,565,701
Social security costs	461,888	583,740
Other pension costs	122,954	140,002
	<u>6,838,610</u>	<u>6,289,443</u>

25 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.

26 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	(89,274)	-
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