

Co. House

Registration number: 02027459

Michael I Holdsworth Limited

Annual Report and Financial Statements

for the Year Ended 28 February 2017



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Michael I Holdsworth Limited

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Michael I Holdsworth Limited

Company Information

Directors

J A Marriott
R J C Warhurst
R M E Holdsworth
E V Trevethick

Company secretary E V Trevethick

Registered office

The Mill
Manchester Road
Tideswell
Derbyshire
SK17 8LN

Bankers

Lloyds TSB
43 Irongate
Derby
Derbyshire
DE1 3FT

Auditors

Hawsons Chartered Accountants
Statutory Auditor
Pegasus House
463a Glossop Road
Sheffield
S10 2QD

Michael I Holdsworth Limited

Strategic Report for the Year Ended 28 February 2017

The directors present their strategic report for the year ended 28 February 2017.

Principal activity

The principal activity of the company is that of wholesale and retail marketing and distribution of frozen, chilled, ambient foods and fresh meats.

Fair review of the business

Our key objective is to continue being a family-owned, successful business that will endeavour to grow organically and reward our shareholders, whilst still providing a first class service to our customers.

We remain a successful business as our acquisition strategy is to stay with our core activities, which is the storage and distribution of frozen, dry, chilled foods and fresh meats. Our business model is to continue to supply quality products at affordable prices in an effective and efficient way and to stay controlled enough to be proactive to external forces. The directors strive at all times to maintain good housekeeping skills with paperwork traceability and we maintain all our accreditations to a very high standard, using internal audit teams to assist us and to improve on our internal logistics.

We continue to have a diverse customer base and continually review our geographical areas to ensure the customer base is managed well by designated sales support managers and our internal sales teams.

During this financial year, we have invested in new refrigeration plant and new butchery equipment and also undertaken an extensive refurbishment programme at our Grimsby depot. We have expanded into the Dorset area and hope to develop our presence during the next financial year.

Our overall performance this year has been very good and achieved through continued investment in the business. Sales have increased by 9% but gross profit has only risen by 5%, mainly due to supplier price increases. We continue to monitor our overhead expenditure, however, costs have increased this year by 8%. These results have been achieved after the investment programme, both within the depots and in our fleet of vehicles. We have again replaced 14% of our vehicles and increased our fleet by a further 15% as well as replacing 30% of our company cars.

We continue to promote re-cycling throughout our depots and the waste compactors are proving to be very successful.

The economic environment has proved challenging this financial year and our staff, who have excellent product knowledge, have worked closely with our customers to help fulfil their requirements and strengthen the trading relationship. We continue to improve the trading relationship with our suppliers, allowing us to source new products more effectively and we have improved our prompt response to supply any ingredient information to our customers.

The directors believe the annual report and financial statements, taken as a whole, to be fair, balanced and understandable and provide the information necessary for the shareholders to assess the group's performance, business model and strategies.

Michael I Holdsworth Limited

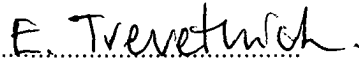
Strategic Report for the Year Ended 28 February 2017 (continued)

Principal risks and uncertainties

The world's environmental climate and disasters will always have an impact on our business, whether it is directly or indirectly. The continuity of food supplies is paramount to our business, but due to our economies of scale we are able to be proactive within the supply chain.

We remain vigilant to competition and we collectively strive to improve our market share through innovation and the ability to work closely with our customers and suppliers. The buoyancy of the economic markets is always a challenge for retailers and wholesalers. Our business model and economies of scale provide us with protection against the government's continuing austerity disciplines and the impact of the Brexit negotiations. Future government legislation is always an uncertainty, however with our proven good business ethos we stay firmly proactive to any changes within our industry and have the financial and manpower stability to resolve any uncertainties that may occur.

Approved by the Board on 7/7/17 and signed on its behalf by:



E V Trevethick
Director

Michael I Holdsworth Limited

Directors' Report for the Year Ended 28 February 2017

The directors present their report and the financial statements for the year ended 28 February 2017.

Directors of the company

The directors who held office during the year were as follows:

J A Marriott

R J C Warhurst

R M E Holdsworth

E V Trevethick

Dividends

Dividends paid during the year amounted to £823,500 (2016 - £745,000).

Environmental policies

The company recognises and complies with all relevant regulations and our Environmental Policy allows us to continue to strive to minimise the impact of our trading activities on the environment and maintain a high level of recycling at all our depots. Our membership of the Cold Storage Distribution Federation allows us to continue to pursue the challenges to decrease our energy emissions. We continue to monitor our energy consumption to ensure it is used efficiently and we are fully ESOS (Energy Saving Opportunity Scheme) compliant.

Employment of disabled persons

It is Holdsworth policy that all persons should be considered for employment, training, career development and promotion on the basis of their abilities and aptitudes, regardless of physical ability, age, gender, sexual orientation, religion or ethnic origin.

We apply employment policies that are fair and equitable for all employees and these ensure that entry into, and progression within, the company is determined solely by application of job criteria and personal ability and competence.

Full and fair consideration (having regard to the person's particular aptitudes and abilities) is given to applications for employment and the career development of disabled persons. Training and development policies make it clear that all steps practicable will be taken to ensure that employees who become disabled during the time they are employed by Holdsworth are able to continue to perform their duties.

Employee involvement

It is Holdsworth policy to encourage and develop all members of staff to realise their maximum potential. Wherever possible, vacancies are filled from within the company and adequate opportunities for internal promotion are created. We are committed to identifying the opportunities for employees to maintain and improve their performance and to develop their potential to a maximum level of attainment. In this way, staff will make their best possible contribution to the organisation's continued success.

We continue to invest in driver training to ensure compliance with all current legislation and ongoing improvements in our systems to monitor this.

Michael I Holdsworth Limited

Directors' Report for the Year Ended 28 February 2017 (continued)

Future developments

Our short-term strategies include the constant review of our non-financial indicators, health and safety policies, risk assessments, IT requirements, employee appraisals and our customer needs. We have weekly strategic meetings to ensure that shareholders are kept up to date.

Our medium-term strategy is to continue to manage the continuity of business throughout our organisation whilst we further develop our existing sites and improve the facilities.

Our long-term strategy is to continue to build our business in the South of England. Due to our increased storage capacity in Derbyshire we continue to develop our business both in the north and east of England.

We continue to maintain a successful business, but at the same time remain respectful of our environment by always researching better and more effective ways of storing and distributing food.

Disclosure of information to the auditors

The directors of the company who held office at the date of the approval of this Annual Report as set out above confirm that:

- so far as they are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- 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.

Reappointment of auditors

The auditors, Hawsons Chartered Accountants, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 7/7/17 and signed on its behalf by:



E V Trevethick
Director

Michael I Holdsworth Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

Michael I Holdsworth Limited

Independent Auditor's Report to the Members

We have audited the financial statements of Michael I Holdsworth Limited for the year ended 28 February 2017, set out on pages 9 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 directors and auditor

As explained more fully in the Statement of Directors' Responsibilities (set out on page 6), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors to the financial statements.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report and Strategic Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and has been prepared in accordance with applicable legal requirements. No material misstatements in the Strategic Report and Directors' Report have been identified.

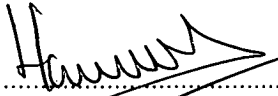
Michael I Holdsworth Limited

Independent Auditor's Report to the Members (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Christopher Hill (Senior Statutory Auditor)

For and on behalf of Hawsons Chartered Accountants, Statutory Auditor

Pegasus House
463a Glossop Road
Sheffield
S10 2QD

Date: 11/7/17

Michael I Holdsworth Limited

Statement of Comprehensive Income for the Year Ended 28 February 2017

	Note	2017 £	2016 £
Turnover	2	87,825,184	80,391,715
Cost of sales		<u>(65,047,778)</u>	<u>(58,728,214)</u>
Gross profit		22,777,406	21,663,501
Distribution costs		(15,315,613)	(13,712,958)
Administrative expenses [including exceptional items of £nil (2016 - £2,161,765)]	3	(4,096,623)	(6,137,522)
Other operating income		<u>173,958</u>	<u>175,537</u>
Operating profit	4	3,539,128	1,988,558
Income from other fixed asset investments		3,400	6,400
Other interest receivable and similar income	8	25,518	78,112
Interest payable and similar charges	9	<u>(32,590)</u>	<u>(25,859)</u>
Profit before tax		3,535,456	2,047,211
Taxation	10	<u>(716,650)</u>	<u>(854,788)</u>
Profit for the financial year		<u>2,818,806</u>	<u>1,192,423</u>
Total comprehensive income for the year		<u><u>2,818,806</u></u>	<u><u>1,192,423</u></u>

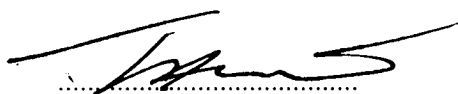
The above results were derived from continuing operations.

Michael I Holdsworth Limited

(Registration number: 02027459)
Balance Sheet as at 28 February 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	11	701,927	565,732
Tangible assets	12	3,299,422	3,260,097
Investments	13	24,800	21,400
		<u>4,026,149</u>	<u>3,847,229</u>
Current assets			
Stocks	14	6,164,658	5,630,167
Debtors	15	6,949,061	6,618,436
Cash at bank and in hand		3,921,952	2,560,115
		<u>17,035,671</u>	<u>14,808,718</u>
Creditors: Amounts falling due within one year	16	<u>(9,561,782)</u>	<u>(9,009,052)</u>
Net current assets		<u>7,473,889</u>	<u>5,799,666</u>
Total assets less current liabilities		11,500,038	9,646,895
Creditors: Amounts falling due after more than one year	16	<u>(465,894)</u>	<u>(608,057)</u>
Net assets		<u>11,034,144</u>	<u>9,038,838</u>
Capital and reserves			
Called up share capital	21	25,035	25,035
Profit and loss account		<u>11,009,109</u>	<u>9,013,803</u>
Shareholders' funds		<u>11,034,144</u>	<u>9,038,838</u>

These financial statements were approved and authorised for issue by the Board on 7/7/17 and signed on its behalf by:



J A Marriott
Director

Michael I Holdsworth Limited

Statement of Changes in Equity for the Year Ended 28 February 2017

	Share capital £	Profit and loss account £	Total £
At 1 March 2016	25,035	9,013,803	9,038,838
Profit for the year	-	2,818,806	2,818,806
Total comprehensive income	-	2,818,806	2,818,806
Dividends	-	(823,500)	(823,500)
At 28 February 2017	25,035	11,009,109	11,034,144

	Share capital £	Profit and loss account £	Total £
At 1 March 2015	25,035	8,566,380	8,591,415
Profit for the year	-	1,192,423	1,192,423
Total comprehensive income	-	1,192,423	1,192,423
Dividends	-	(745,000)	(745,000)
At 29 February 2016	25,035	9,013,803	9,038,838

The notes on pages 12 to 24 form an integral part of these financial statements.

Michael I Holdsworth Limited

Notes to the Financial Statements for the Year Ended 28 February 2017

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax shall be recognised in respect of all timing differences at the reporting date, except as otherwise required by FRS102. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date. Unrelieved tax losses and other deferred tax assets shall be recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Tangible assets

Tangible fixed assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The cost of tangible fixed assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, less any estimated residual value, over their estimated useful lives, as follows:

Asset class

Land and buildings
Plant and machinery
Motor vehicles

Depreciation method and rate

Over the lease term
Over 4 to 15 years
Over 4 to 5 years

Michael I Holdsworth Limited

Notes to the Financial Statements for the Year Ended 28 February 2017 (continued)

Goodwill

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	Over 5 to 20 years

Stocks

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Cost is determined on a first in first out basis. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the profit and loss account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Defined contribution pension obligation

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

Michael I Holdsworth Limited

Notes to the Financial Statements for the Year Ended 28 February 2017 (continued)

Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements, the directors are required to make certain judgements and assumptions based upon parameters available at the time the financial statements are prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances beyond the control of the company and its directors. Such changes are reflected in the assumptions when they occur.

Judgements that management has made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements, and key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of the tangible assets.

The annual amortisation charge for goodwill is sensitive to changes in the estimated useful economic lives of the goodwill assets. The useful economic lives are re-assessed annually and are amended when necessary to reflect current estimates and future performance of the depots concerned. See note 11 for the carrying amount of the goodwill.

The company makes an estimate of the recoverable value of trade debtors. When assessing impairment of trade debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 15 for the net carrying amount of trade debtors and associated impairment provision.

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 Exceptional items

Included within administrative expenses is £nil (2016 - £2,161,765) paid in settlement of previously unresolved tax issues relating to prior years.

4 Operating profit

Operating profit is stated after charging:

	2017 £	2016 £
Profit on disposal of tangible fixed assets	(30,055)	(40,641)
Depreciation of owned assets	743,686	643,974
Depreciation of assets held under hire purchase contracts	488,883	352,039
Amortisation	<u>157,513</u>	<u>144,025</u>

Michael I Holdsworth Limited

Notes to the Financial Statements for the Year Ended 28 February 2017 (continued)

5 Auditors' remuneration

	2017 £	2016 £
Audit of the financial statements	<u>16,000</u>	<u>15,500</u>
Other fees to auditors		
Tax services	3,225	12,050
Other services	<u>4,620</u>	<u>3,575</u>
	<u>7,845</u>	<u>15,625</u>

6 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2017 £	2016 £
Wages and salaries	10,199,900	11,209,030
Social security costs	968,398	854,732
Pension costs, defined contribution scheme	<u>290,208</u>	<u>341,181</u>
	<u>11,458,506</u>	<u>12,404,943</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2017 No.	2016 No.
Administration	35	34
Distribution and selling	345	318
Management	<u>2</u>	<u>2</u>
	<u>382</u>	<u>354</u>

Michael I Holdsworth Limited

Notes to the Financial Statements for the Year Ended 28 February 2017 (continued)

7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2017 £	2016 £
Remuneration (including benefits in kind)	345,864	249,155
Contributions paid to money purchase schemes	24,597	106,170
	<u>370,461</u>	<u>355,325</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2017 No.	2016 No.
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>2</u>

In respect of the highest paid director:

	2017 £	2016 £
Remuneration	247,730	159,275
Company contributions to money purchase pension schemes	11,497	94,262
	<u>259,227</u>	<u>253,537</u>

8 Other interest receivable and similar income

	2017 £	2016 £
Bank interest receivable	25,518	22,515
Other finance income	-	55,597
	<u>25,518</u>	<u>78,112</u>

9 Interest payable and similar charges

	2017 £	2016 £
Hire purchase interest	32,030	25,859
Interest expense on other finance liabilities	560	-
	<u>32,590</u>	<u>25,859</u>

Michael I Holdsworth Limited

Notes to the Financial Statements for the Year Ended 28 February 2017 (continued)

10 Income tax

Tax charged/(credited) in the income statement

	2017 £	2016 £
Current taxation		
UK corporation tax	765,882	805,000
UK corporation tax adjustment to prior periods	(3,232)	788
	<u>762,650</u>	<u>805,788</u>
Deferred taxation		
Arising from origination and reversal of timing differences	(46,000)	49,000
Tax expense in the income statement	<u>716,650</u>	<u>854,788</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2016 - higher than the standard rate of corporation tax in the UK) of 20% (2016 - 20%).

The differences are reconciled below:

	2017 £	2016 £
Profit before tax	<u>3,535,456</u>	<u>2,047,211</u>
Corporation tax at standard rate	707,091	409,442
Effect of expense not deductible in determining taxable profit	16,283	433,669
Tax increase (decrease) from other short-term timing differences	(6,724)	11,677
Total tax charge	<u>716,650</u>	<u>854,788</u>

Deferred tax

Deferred tax assets and liabilities

	Asset £
2017	
Difference between capital allowances and depreciation	91,000
Unpaid pension contributions	<u>9,000</u>
	<u>100,000</u>
2016	
Difference between capital allowances and depreciation	46,000
Unpaid pension contributions	<u>8,000</u>
	<u>54,000</u>

Michael I Holdsworth Limited

**Notes to the Financial Statements for the Year Ended 28 February 2017
(continued)**

11 Intangible assets

	Goodwill £
Cost or valuation	
At 1 March 2016	1,755,924
Additions acquired separately	<u>293,708</u>
At 28 February 2017	<u>2,049,632</u>
Amortisation	
At 1 March 2016	1,190,192
Amortisation charge	<u>157,513</u>
At 28 February 2017	<u>1,347,705</u>
Carrying amount	
At 28 February 2017	<u>701,927</u>
At 29 February 2016	<u>565,732</u>

Michael I Holdsworth Limited

Notes to the Financial Statements for the Year Ended 28 February 2017 (continued)

12 Tangible assets

	Land and buildings £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 March 2016	150,250	2,818,235	4,573,516	7,542,001
Additions	-	112,520	1,186,860	1,299,380
Disposals	-	(41,766)	(802,597)	(844,363)
At 28 February 2017	<u>150,250</u>	<u>2,888,989</u>	<u>4,957,779</u>	<u>7,997,018</u>
Depreciation				
At 1 March 2016	32,769	1,767,660	2,481,475	4,281,904
Charge for the year	15,459	259,520	957,590	1,232,569
Eliminated on disposal	-	(40,496)	(776,381)	(816,877)
At 28 February 2017	<u>48,228</u>	<u>1,986,684</u>	<u>2,662,684</u>	<u>4,697,596</u>
Net book value				
At 28 February 2017	<u>102,022</u>	<u>902,305</u>	<u>2,295,095</u>	<u>3,299,422</u>
At 29 February 2016	<u>117,481</u>	<u>1,050,575</u>	<u>2,092,041</u>	<u>3,260,097</u>

Leased assets

Included within the net book value of tangible fixed assets is £1,549,831 (2016 - £1,566,720) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £488,883 (2016 - £352,039).

Michael I Holdsworth Limited

**Notes to the Financial Statements for the Year Ended 28 February 2017
(continued)**

13 Investments held as fixed assets

	2017	2016
	£	£
Other investments	<u>24,800</u>	<u>21,400</u>

Other investments

	Unlisted investments £
Cost	
At 1 March 2016	21,400
Revaluation	<u>3,400</u>
At 28 February 2017	<u>24,800</u>
Net book value	
At 28 February 2017	<u>24,800</u>
At 29 February 2016	<u>21,400</u>

14 Stocks

	2017	2016
	£	£
Stocks of fuel	53,541	41,509
Frozen and dry goods for resale	<u>6,111,117</u>	<u>5,588,658</u>
	<u>6,164,658</u>	<u>5,630,167</u>

Michael I Holdsworth Limited

Notes to the Financial Statements for the Year Ended 28 February 2017 (continued)

15 Debtors

	2017 £	2016 £
Trade debtors	6,227,674	5,843,561
Amounts owed by group undertakings	798	962
Other debtors	34,877	196,523
Prepayments	585,712	523,390
Deferred tax assets	100,000	54,000
	<u>6,949,061</u>	<u>6,618,436</u>

16 Creditors

	2017 £	2016 £
Due within one year		
Obligations under finance lease and hire purchase contracts	699,383	632,697
Trade creditors	6,459,676	6,121,950
Social security and other taxes	283,030	250,687
Other payables	1,019,774	944,166
Accrued expenses	737,269	604,552
Corporation tax	362,650	455,000
	<u>9,561,782</u>	<u>9,009,052</u>
Due after one year		
Obligations under finance lease and hire purchase contracts	<u>465,894</u>	<u>608,057</u>

17 Loans and borrowings

	2017 £	2016 £
Non-current loans and borrowings		
Obligations under finance lease and hire purchase contracts	<u>465,894</u>	<u>608,057</u>
	2017 £	2016 £
Current loans and borrowings		
Obligations under finance lease and hire purchase contracts	<u>699,383</u>	<u>632,697</u>

Michael I Holdsworth Limited

Notes to the Financial Statements for the Year Ended 28 February 2017 (continued)

18 Obligations under leases and hire purchase contracts

Finance leases

The finance leases primarily relate to the commercial vehicle fleet.

The total of future minimum lease payments is as follows:

	2017 £	2016 £
Not later than one year.	724,367	658,326
Later than one year and not later than five years	429,143	464,212
Later than five years	52,124	166,917
	<u>1,205,634</u>	<u>1,289,455</u>

Operating leases

The total of future minimum lease payments is as follows:

	2017 £	2016 £
Not later than one year	791,404	650,936
Later than one year and not later than five years	2,145,882	2,068,010
Later than five years	305,219	526,328
	<u>3,242,505</u>	<u>3,245,274</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £1,303,471 (2016 - £1,232,458).

19 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £290,208 (2016 - £341,181).

Contributions totalling £47,465 (2016 - £41,883) were payable to the scheme at the end of the year and are included in creditors.

20 Commitments

Capital commitments

The total amount contracted for but not provided in the financial statements was £676,322 (2016 - £215,178).

Michael I Holdsworth Limited

Notes to the Financial Statements for the Year Ended 28 February 2017 (continued)

21 Share capital

Allotted, called up and fully paid shares

	2017		2016	
	No.	£	No.	£
Ordinary shares of £1 each	25,000	25,000	25,000	25,000
Deferred shares of £0.01 each	3,500	35	3,500	35
	<u>28,500</u>	<u>25,035</u>	<u>28,500</u>	<u>25,035</u>

The ordinary shares carry no restrictions on the distribution of dividends and the repayment of capital.

The deferred shares carry no voting rights. The holders of such shares are entitled to participate in dividends declared on that class of shares and are entitled to a return of capital of 1p per share in the event of a distribution on the winding up of the company.

22 Dividends

	2017 £	2016 £
Dividends paid		
Ordinary interim dividends paid	804,250	729,250
Deferred dividends paid	<u>19,250</u>	<u>15,750</u>
	<u>823,500</u>	<u>745,000</u>

23 Related party transactions

Transactions with directors

	At 1 March 2016 £	Advances to directors £	Repayments by director £	Amounts written off £	At 28 February 2017 £
2017					
J A Marriott					
Loan	<u>-</u>	<u>2,327</u>	<u>-</u>	<u>-</u>	<u>2,327</u>

Summary of transactions with other related parties

The company leases certain of its premises from other related parties.

The company operates a loan account with certain other related parties.

Michael I Holdsworth Limited

Notes to the Financial Statements for the Year Ended 28 February 2017 (continued)

Expenditure with and payables to related parties

	Other related parties £
2017	
Leases	<u>174,612</u>
2016	
Leases	<u>174,612</u>

Loans from related parties

	Other related parties £
2017	
At start of period	818,645
Advanced	477,567
Repaid	<u>(431,385)</u>
At end of period	<u>864,827</u>
	Other related parties £
2016	
At start of period	860,984
Advanced	432,085
Repaid	<u>(474,424)</u>
At end of period	<u>818,645</u>

The company has taken advantage of the exemption in FRS102 from disclosing transactions with other members of the group.

24 Control

The company's immediate and ultimate parent is Holdsworth Holdings Limited, incorporated in England and Wales.

The most senior parent entity producing publicly available financial statements is Holdsworth Holdings Limited. These financial statements are available from Companies House.

The ultimate controlling party is Mr M I Holdsworth and members of his close family.

25 Non adjusting events after the financial period

Since the year end, the company has paid dividends of £584,825.