

Registration number: 02027459

Michael I Holdsworth Limited

Annual Report and Financial Statements

for the Year Ended 28 February 2019



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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

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 2019

The directors present their strategic report for the year ended 28 February 2019.

Fair review of the business

The results for the year are set out in the financial statements.

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

We remain a successful business. Our 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 reach. The customer base is managed well by dedicated sales support managers and our sales teams.

During this financial year, our overall performance has been good and achieved through continued investment in the business. Sales have increased by 3% and our gross profit has risen by 5.6%, due mainly to better buying techniques.

Our overhead expenditure has increased by just 2% this year. We continue to reinvest in our fleet of vehicles to take advantage of new technology and limit our carbon footprint. We remain respectful of our environment by always researching better and more effective ways of storing and distributing food.

We continue to promote re-cycling throughout our depots and have invested in new waste machinery to ensure this continuity. We have achieved zero to landfill at our head office depot.

The economic environment continues to be a challenging place and our staff, who have excellent product knowledge, work closely with our customers to help fulfil their requirements and strengthen the trading relationship. We have good trading relationships with our suppliers, allowing us to source new products more effectively and we are able 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 2019 (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 and 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 continued 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 and signed on its behalf by:

E. Trevethick 11.7.19
E V Trevethick
Director

Michael I Holdsworth Limited

Directors' Report for the Year Ended 28 February 2019

The directors present their report and the audited financial statements for the year ended 28 February 2019.

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

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.

Dividends

Dividends paid during the year amounted to £1,001,750 (2018 - £947,075).

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 the policy of the company 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 the policy of the company 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 2019 (continued)

Future developments

Our short-term strategies include the constant assessment of our non-financial indicators, Health and Safety policies, risk assessments, IT requirements, employee appraisals and our customer needs. We continue to 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. We have excellent storage capacity in Derbyshire and we continue to develop our business, both in the north and east of England.

Directors' liabilities

The company has made qualifying third party indemnity provisions for the benefits of its directors which were made during the year and remain in force at the date of this report.

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 and signed on its behalf by:

E. Trevethick 11.7.19
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 of Michael I Holdsworth Limited

Opinion

We have audited the financial statements of Michael I Holdsworth Limited (the 'company') for the year ended 28 February 2019, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2019 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Michael I Holdsworth Limited

Independent Auditor's Report to the Members of Michael I Holdsworth Limited (continued)

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
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

Michael I Holdsworth Limited

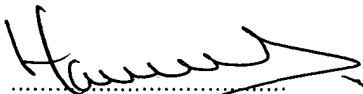
Independent Auditor's Report to the Members of Michael I Holdsworth Limited (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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.



Christopher Hill (Senior Statutory Auditor)

For and on behalf of Hawsons Chartered Accountants, Statutory Auditor

Pegasus House
463a Glossop Road
Sheffield
S10 2QD

Date: 12/7/19

Michael I Holdsworth Limited

Statement of Comprehensive Income for the Year Ended 28 February 2019

	Note	2019 £	2018 £
Turnover	2	98,798,129	95,682,977
Cost of sales		<u>(72,879,143)</u>	<u>(71,135,469)</u>
Gross profit		25,918,986	24,547,508
Distribution costs		(17,408,956)	(17,118,638)
Administrative expenses		(4,565,250)	(4,416,302)
Other operating income		<u>144,652</u>	<u>178,387</u>
Operating profit	3	4,089,432	3,190,955
Income from other fixed asset investments		-	3,200
Other interest receivable and similar income	7	52,158	38,862
Interest payable and similar charges	8	<u>(28,224)</u>	<u>(32,465)</u>
Profit before tax		4,113,366	3,200,552
Taxation	9	<u>(728,340)</u>	<u>(635,519)</u>
Profit for the financial year		<u>3,385,026</u>	<u>2,565,033</u>
Total comprehensive income for the year		<u><u>3,385,026</u></u>	<u><u>2,565,033</u></u>

The above results were derived from continuing operations.

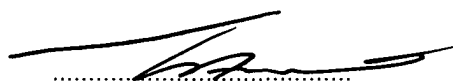
Michael I Holdsworth Limited

(Registration number: 02027459)

Balance Sheet as at 28 February 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	10	346,400	499,164
Tangible assets	11	3,064,010	3,351,272
Investments	12	28,000	28,000
		<u>3,438,410</u>	<u>3,878,436</u>
Current assets			
Stocks	13	7,322,887	6,127,179
Debtors	14	8,659,781	7,351,682
Cash at bank and in hand		6,304,939	5,220,655
		<u>22,287,607</u>	<u>18,699,516</u>
Creditors: Amounts falling due within one year	15	<u>(10,275,761)</u>	<u>(9,485,668)</u>
Net current assets		<u>12,011,846</u>	<u>9,213,848</u>
Total assets less current liabilities		15,450,256	13,092,284
Creditors: Amounts falling due after more than one year	15	<u>(414,878)</u>	<u>(440,182)</u>
Net assets		<u><u>15,035,378</u></u>	<u><u>12,652,102</u></u>
Capital and reserves			
Called up share capital	20	25,035	25,035
Profit and loss account		<u>15,010,343</u>	<u>12,627,067</u>
Shareholders' funds		<u><u>15,035,378</u></u>	<u><u>12,652,102</u></u>

These financial statements were approved and authorised for issue by the Board on 11/7/19 and signed on its behalf by:



J A Marriott
Director

The notes on pages 13 to 24 form an integral part of these financial statements.

Michael I Holdsworth Limited

Statement of Changes in Equity for the Year Ended 28 February 2019

	Share capital £	Profit and loss account £	Total £
At 1 March 2018	25,035	12,627,067	12,652,102
Profit for the year	-	3,385,026	3,385,026
Total comprehensive income	-	3,385,026	3,385,026
Dividends	-	(1,001,750)	(1,001,750)
At 28 February 2019	<u>25,035</u>	<u>15,010,343</u>	<u>15,035,378</u>

	Share capital £	Profit and loss account £	Total £
At 1 March 2017	25,035	11,009,109	11,034,144
Profit for the year	-	2,565,033	2,565,033
Total comprehensive income	-	2,565,033	2,565,033
Dividends	-	(947,075)	(947,075)
At 28 February 2018	<u>25,035</u>	<u>12,627,067</u>	<u>12,652,102</u>

Michael I Holdsworth Limited

Notes to the Financial Statements for the Year Ended 28 February 2019

1 Accounting policies

Statutory information

Michael I Holdsworth Limited is a private company, limited by shares, domiciled in England and Wales, company number 02027459. The registered office is at The Mill, Manchester Road, Tideswell, SK17 8LN.

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. The presentation currency is United Kingdom pounds sterling, which is the functional currency of the company. The financial statements are those of an individual entity.

Going concern

After due consideration of all relevant factors, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

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.

Michael I Holdsworth Limited

Notes to the Financial Statements for the Year Ended 28 February 2019 (continued)

1 Accounting policies (continued)

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	Depreciation method and rate
Land and buildings	Over the lease term
Plant and machinery	Over 4 to 15 years
Motor vehicles	Over 4 to 5 years

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.

Michael I Holdsworth Limited

Notes to the Financial Statements for the Year Ended 28 February 2019 (continued)

1 Accounting policies (continued)

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.

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 11 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 10 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 14 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 Operating profit

Operating profit is stated after charging:

	2019 £	2018 £
Profit on disposal of tangible fixed assets	(25,646)	(10,168)
Depreciation of owned assets	1,002,548	861,818
Depreciation of assets held under hire purchase contracts	443,103	616,146
Amortisation	<u>152,764</u>	<u>202,763</u>

Michael I Holdsworth Limited

Notes to the Financial Statements for the Year Ended 28 February 2019 (continued)

4 Auditors' remuneration

	2019 £	2018 £
Audit of the financial statements	<u>16,400</u>	<u>16,000</u>
Other fees to auditors		
Tax services	7,325	2,650
Other services	<u>2,485</u>	<u>5,054</u>
	<u>9,810</u>	<u>7,704</u>

5 Staff costs

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

	2019 £	2018 £
Wages and salaries	10,913,323	10,892,656
Social security costs	1,205,120	1,039,503
Pension costs, defined contribution scheme	<u>301,755</u>	<u>307,140</u>
	<u>12,420,198</u>	<u>12,239,299</u>

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

	2019 No.	2018 No.
Administration	35	38
Distribution and selling	<u>379</u>	<u>379</u>
	<u>414</u>	<u>417</u>

6 Directors' remuneration

The directors' remuneration for the year was as follows:

	2019 £	2018 £
Remuneration (including benefits in kind)	10,806	86,664
Contributions paid to money purchase schemes	<u>-</u>	<u>8,063</u>
	<u>10,806</u>	<u>94,727</u>

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

Michael I Holdsworth Limited

Notes to the Financial Statements for the Year Ended 28 February 2019 (continued)

6 Directors' remuneration (continued)

	2019 No.	2018 No.
Accruing benefits under money purchase pension scheme	-	2

7 Other interest receivable and similar income

	2019 £	2018 £
Bank interest receivable	47,645	29,544
Other finance income	4,513	9,318
	<u>52,158</u>	<u>38,862</u>

8 Interest payable and similar charges

	2019 £	2018 £
Hire purchase interest	<u>28,224</u>	<u>32,465</u>

Michael I Holdsworth Limited

Notes to the Financial Statements for the Year Ended 28 February 2019 (continued)

9 Income tax

Tax charged/(credited) in the income statement

	2019 £	2018 £
Current taxation		
UK corporation tax	893,865	705,519
UK corporation tax adjustment in respect of prior periods	<u>(135,525)</u>	<u>-</u>
	758,340	705,519
Deferred taxation		
Arising from origination and reversal of timing differences	<u>(30,000)</u>	<u>(70,000)</u>
	<u>728,340</u>	<u>635,519</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2018 - higher than the standard rate of corporation tax in the UK) of 19% (2018 - 19.08%).

The differences are reconciled below:

	2019 £	2018 £
Profit before tax	<u>4,113,366</u>	<u>3,200,552</u>
Corporation tax at standard rate	781,540	610,761
Expenses not deductible in determining taxable profit	54,475	22,806
Deferred tax expense relating to change in tax rates	27,850	-
Other tax effects	<u>(135,525)</u>	<u>1,952</u>
Total tax charge	<u>728,340</u>	<u>635,519</u>

Deferred tax

Deferred tax assets and liabilities

	Asset £
2019	
Difference between capital allowances and depreciation	190,000
Unpaid pension contributions	<u>10,000</u>
	<u>200,000</u>
2018	
Difference between capital allowances and depreciation	160,000
Unpaid pension contributions	<u>10,000</u>
	<u>170,000</u>

Michael I Holdsworth Limited

Notes to the Financial Statements for the Year Ended 28 February 2019 (continued)

10 Intangible assets

	Goodwill £
Cost or valuation	
At 1 March 2018 and 28 February 2019	2,049,632
Amortisation	
At 1 March 2018	1,550,468
Amortisation charge	<u>152,764</u>
At 28 February 2019	<u>1,703,232</u>
Carrying amount	
At 28 February 2019	<u>346,400</u>
At 28 February 2018	<u>499,164</u>

11 Tangible assets

	Land and buildings £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 March 2018	196,426	2,928,126	5,425,491	8,550,043
Additions	7,830	103,553	1,066,621	1,178,004
Disposals	<u>-</u>	<u>(12,631)</u>	<u>(536,036)</u>	<u>(548,667)</u>
At 28 February 2019	<u>204,256</u>	<u>3,019,048</u>	<u>5,956,076</u>	<u>9,179,380</u>
Depreciation				
At 1 March 2018	63,687	2,248,028	2,887,056	5,198,771
Charge for the year	16,634	242,516	1,186,501	1,445,651
Eliminated on disposal	<u>-</u>	<u>(12,631)</u>	<u>(516,421)</u>	<u>(529,052)</u>
At 28 February 2019	<u>80,321</u>	<u>2,477,913</u>	<u>3,557,136</u>	<u>6,115,370</u>
Net book value				
At 28 February 2019	<u>123,935</u>	<u>541,135</u>	<u>2,398,940</u>	<u>3,064,010</u>
At 28 February 2018	<u>132,739</u>	<u>680,098</u>	<u>2,538,435</u>	<u>3,351,272</u>

Leased assets

Included within the net book value of tangible fixed assets is £1,461,553 (2018 - £1,667,997) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £443,103 (2018 - £616,146).

Michael I Holdsworth Limited

Notes to the Financial Statements for the Year Ended 28 February 2019 (continued)

12 Investments held as fixed assets

Other investments

	Unlisted investments £
Cost	
At 1 March 2018 and 28 February 2019	<u>28,000</u>
Net book value	
At 28 February 2019	<u>28,000</u>
At 29 February 2018	<u>28,000</u>

13 Stocks

	2019 £	2018 £
Stocks of fuel	66,755	73,728
Frozen and dry goods for resale	<u>7,256,132</u>	<u>6,053,451</u>
	<u>7,322,887</u>	<u>6,127,179</u>

14 Debtors

	2019 £	2018 £
Trade debtors	7,297,596	6,370,333
Amounts owed by group undertakings	265,665	104,755
Other debtors	112,317	76,397
Prepayments	784,203	630,197
Deferred tax assets	<u>200,000</u>	<u>170,000</u>
	<u>8,659,781</u>	<u>7,351,682</u>

Michael I Holdsworth Limited

**Notes to the Financial Statements for the Year Ended 28 February 2019
(continued)**

15 Creditors

	2019 £	2018 £
Due within one year		
Obligations under finance lease and hire purchase contracts	629,908	751,426
Trade creditors	7,769,370	6,463,647
Social security and other taxes	312,786	297,842
Other payables	292,395	874,465
Accrued expenses	757,437	812,769
Corporation tax	513,865	285,519
	<u>10,275,761</u>	<u>9,485,668</u>
Due after one year		
Obligations under finance lease and hire purchase contracts	<u>414,878</u>	<u>440,182</u>

16 Loans and borrowings

	2019 £	2018 £
Current loans and borrowings		
Obligations under finance lease and hire purchase contracts	<u>629,908</u>	<u>751,426</u>

	2019 £	2018 £
Non-current loans and borrowings		
Obligations under finance lease and hire purchase contracts	<u>414,878</u>	<u>440,182</u>

Obligations under finance lease and hire purchase contracts are secured on the assets concerned.

Michael I Holdsworth Limited

Notes to the Financial Statements for the Year Ended 28 February 2019 (continued)

17 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:

	2019 £	2018 £
Not later than one year	649,300	774,235
Later than one year and not later than five years	321,474	389,896
Later than five years	108,085	62,071
	<u>1,078,859</u>	<u>1,226,202</u>

Operating leases

The total of future minimum lease payments is as follows:

	2019 £	2018 £
Not later than one year	669,362	743,633
Later than one year and not later than five years	1,206,305	1,660,122
Later than five years	157,500	187,500
	<u>2,033,167</u>	<u>2,591,255</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £1,345,062 (2018 - £1,333,949).

18 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 £301,755 (2018 - £307,140).

Contributions totalling £52,514 (2018 - £50,321) were payable to the scheme at the end of the year and are included in creditors.

19 Commitments

Capital commitments

The total amount contracted for but not provided in the financial statements was £356,110 (2018 - £Nil).

Michael I Holdsworth Limited

Notes to the Financial Statements for the Year Ended 28 February 2019 (continued)

20 Share capital

Allotted, called up and fully paid shares

	2019		2018	
	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.

21 Dividends

	2019 £	2018 £
Dividends paid		
Ordinary interim dividends paid	982,500	926,075
Deferred dividends paid	<u>19,250</u>	<u>21,000</u>
	<u>1,001,750</u>	<u>947,075</u>

22 Related party transactions

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.

Expenditure with and payables to related parties

	Other related parties £
2019	
Leases	<u>174,612</u>
2018	
Leases	<u>174,612</u>

Michael I Holdsworth Limited

Notes to the Financial Statements for the Year Ended 28 February 2019 (continued)

22 Related party transactions (continued)

Loans from related parties

	Other related parties £
2019	
At start of period	676,591
Advanced	532,051
Repaid	<u>(1,134,940)</u>
At end of period	<u>73,702</u>
	Other related parties £
2018	
At start of period	864,827
Advanced	529,650
Repaid	<u>(717,886)</u>
At end of period	<u>676,591</u>

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

23 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.

24 Non adjusting events after the financial period

Since the year end, the company has paid dividends of £641,500.