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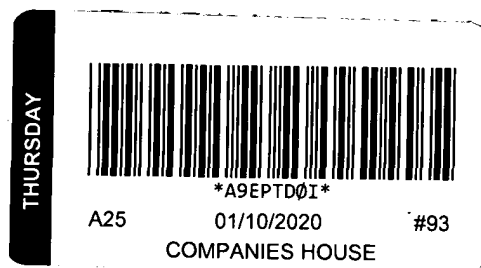
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Registration number: 02027459

Michael I Holdsworth Limited

Annual Report and Financial Statements

for the Year Ended 29 February 2020



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 29 February 2020

The directors present their strategic report for the year ended 29 February 2020.

Fair review of the business

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

Michael I Holdsworth Limited is one of the UK's largest independent wholesale distributors of frozen, ambient, chilled foods and fresh meats to the hospitality industry.

The directors believe that integrity is fundamental for successful relationships, both internally and externally. Reputation, confidence and trust are what have contributed to the long-term success of the business and it is at the forefront of the decision making process.

Our quality and legislative compliance is achieved by implementing new industry legislation as advised through our trade memberships including the British Frozen Food Federation, Freight Transport Association and the Cold Chain Federation. We maintain our accreditations, using internal and third party audit processes to ISO:9001, BRCGS Storage and Distribution and Soil Association Organic Wholesaler standards.

During this financial year our overall performance has been good and achievable through continued investment in the business. Sales have increased by 5.66% and our gross profit has risen by 4.65%. Our overhead expenditure has increased by 5.92% this year, due mainly to packaging costs and the success of the pension auto-enrolment scheme.

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

Principal risks and uncertainties

The continuity of food supplies is paramount to our business. Due to our broad supplier base we are able to mitigate some risk by not relying too heavily on a small number of suppliers. Buoyancy within the hospitality sector is also crucial to our business, and although we have little control over this, a diverse and balanced customer base helps alleviate some risk of a downturn in any one particular sector.

The threat from industry competition is mitigated by active key account management, product pricing and quality and service delivery.

We are continuing to monitor the ongoing Brexit negotiations ahead of the December 2020 deadline.

Global environmental climate and disasters will always have an impact on our business, whether it is directly or indirectly. The Coronavirus crisis poses an unprecedented threat to the hospitality industry and its supply chain. The measures implemented by the government will help to support our business, these together with our financial stability, agility and collective management experience gives us confidence that we are able to make decisions to protect the business.

Future developments

Our short term strategy includes the assessment of our non-financial indicators, Health and Safety policies, risk assessments, IT requirements, employee appraisals and our customer needs.

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 facilities, both operationally and for our staff.

Our long term strategy is to continue to expand our business from our existing sites, together with seeking out new opportunities.

Michael I Holdsworth Limited

Strategic Report for the Year Ended 29 February 2020 (continued)

Stakeholder engagement

As a Board, we have a legal responsibility under section 172 of the Companies Act 2006 to act in the way we consider, in good faith, would be most likely to promote the company's success for the benefit of its members as a whole, and to have regard to the long-term effect of our decisions on the company and its stakeholders. This statement looks at how we outwork this responsibility.

Key objective

Our objective is continued business growth to provide sustainable reward for our shareholders and staff whilst continuing to meet our customers product, service delivery and price requirements.

Our key stakeholders, and the ways in which we engage with them, are as follows:

Our customers and suppliers

With over 4,500 product lines, we are able to supply a wide range of sectors in the hospitality industry. The relationships we build with customers have allowed us to establish a great deal of loyalty with some continuing for 20 years.

Our supplier relationships are equally important, having worked with each of the top 10 suppliers for at least 10 years. Building long-lasting supplier relationships is of utmost importance, we agree terms of payment with suppliers when contracting for their products and/or services. The average time taken to pay invoices at the end of the period was 41 days (2019 - 41days) and invoices due, but not paid within agreed terms was 21% (2019 - 83%).

Our staff and communities

Holdsworth is now in its 51st year of trading and has 11 depots around the UK. Many of our staff have worked with us since the business was in its early days, and in fact we have whole families employed at some depots. We recognise the responsibility this places on us, and being a family owned business with members of the Holdsworth family working within the company, we have developed a strong sense of commitment to our employees and strive to be a supportive and flexible employer. Our staff are kept informed on the company's activities by way of a quarterly Newsletter.

We support the local and wider communities by way of financial and product donations, both for registered charities and also for community associations located near our depots.

Our environment

Holdsworth became fully ESOS compliant in 2015 and were re-assessed in 2019. 2020 sees us begin SECR (Streamlined Energy & Carbon Reporting), providing a benchmark for carbon emission reduction targets in subsequent years. Green electricity is produced at our head office by way of a photovoltaic system.

Our Derbyshire head office depot is 'zero waste to landfill'. At each of our sites we ensure levels of waste are minimised and waste created is disposed of in an environmentally friendly manner. All tertiary and secondary packaging waste is separated, baled and collected by accredited re-processors.

We source and supply many products which meet sustainable standards, enabling customers to meet their own sustainable procurement & product targets. Holdsworth carries Soil Association Accreditation as wholesalers of Organic Certified products, together with carrying product lines which are certified to various sustainable standards including but not limited to: Free Range, Farm Assured, MCS/MSC and Fairtrade.

Michael I Holdsworth Limited

Strategic Report for the Year Ended 29 February 2020 (continued)

Approved by the Board on ~~24/9/20~~ and signed on its behalf by:


.....
E V Trevethick
Director

Michael I Holdsworth Limited

Directors' Report for the Year Ended 29 February 2020

The directors present their report and the audited financial statements for the year ended 29 February 2020.

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

Michael I Holdsworth Limited is one of the UK's largest independent wholesale distributors of frozen, ambient, chilled foods and fresh meats to the hospitality industry. Our objective is continued business growth to provide sustainable reward for our shareholders and staff whilst continuing to meet our customers product, service delivery and price requirements.

Dividends

Dividends paid during the year amounted to £1,054,000 (2019 - £1,001,750).

Environmental policies

Holdsworth qualifies for the ESOS (Energy Saving Opportunity Scheme). This assessment audits the energy used by our buildings, processes and transport to identify cost-effective energy saving measures. We source and supply many products which meet sustainable standards, enabling customers to meet their own sustainable procurement & product targets. More details of our Environmental Policy can be seen in our Strategic Report.

Employment of disabled persons

The company is an equal opportunity employer. The aim of our policy is to ensure that no job applicant or employee receives less favourable treatment on the grounds of age, gender, colour, race, religion, nationality or ethnic origin, or is disadvantaged by conditions or requirements that are not essential for the carrying out of the specified job.

To ensure that such direct or indirect discrimination is not occurring, recruitment and other employment decisions will be monitored. Selection criteria and procedures will also be reviewed to ensure that they are not adversely and unjustifiably affecting the opportunities of persons from a particular racial group, and that in recruitment, all candidates are considered solely on the basis of their relevant merits and abilities.

All employees will be given equal opportunity and encouraged to progress within the organisation. It is the duty of all employees to accept their personal responsibility in the implementation of the policy. At the same time, the company acknowledges that specific responsibilities fall upon management, supervisors and individuals professionally involved in recruitment and employee administration.

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.

Michael I Holdsworth Limited

Directors' Report for the Year Ended 29 February 2020 (continued)

Employee involvement

Holdsworth has developed a strong sense of commitment to our employees and strive to be a supportive and flexible employer. It is our 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.

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 24/9/20 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 of Michael I Holdsworth Limited

Opinion

We have audited the financial statements of Michael I Holdsworth Limited (the 'company') for the year ended 29 February 2020, 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 29 February 2020 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, it is difficult to evaluate all of the potential implications of the current COVID-19 outbreak on the company's trade, employees, customers, suppliers and the wider economy.

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 7, 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

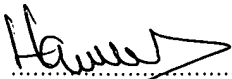
Independent Auditor's Report to the Members of Michael I Holdsworth Limited (continued)

- 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:

28th September 2020

Michael I Holdsworth Limited

Statement of Comprehensive Income for the Year Ended 29 February 2020

	Note	2020 £	2019 £
Turnover	2	104,389,080	98,798,129
Cost of sales		<u>(77,265,010)</u>	<u>(72,879,143)</u>
Gross profit		27,124,070	25,918,986
Distribution costs		(18,698,080)	(17,408,956)
Administrative expenses		(4,576,894)	(4,565,250)
Other operating income		<u>207,979</u>	<u>144,652</u>
Operating profit	3	4,057,075	4,089,432
Income from other fixed asset investments		1,824	-
Other interest receivable and similar income	7	66,194	52,158
Interest payable and similar charges	8	<u>(32,322)</u>	<u>(28,224)</u>
Profit before tax		4,092,771	4,113,366
Taxation	9	<u>(779,040)</u>	<u>(728,340)</u>
Profit for the financial year		<u>3,313,731</u>	<u>3,385,026</u>
Total comprehensive income for the year		<u><u>3,313,731</u></u>	<u><u>3,385,026</u></u>

The above results were derived from continuing operations.

Michael I Holdsworth Limited

(Registration number: 02027459)

Balance Sheet as at 29 February 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	10	217,534	346,400
Tangible assets	11	3,380,070	3,064,010
Investments	12	29,824	28,000
		<u>3,627,428</u>	<u>3,438,410</u>
Current assets			
Stocks	13	6,853,119	7,322,887
Debtors	14	8,842,943	8,659,781
Cash at bank and in hand		8,535,969	6,304,939
		<u>24,232,031</u>	<u>22,287,607</u>
Creditors: Amounts falling due within one year	15	<u>(9,781,458)</u>	<u>(10,275,761)</u>
Net current assets		<u>14,450,573</u>	<u>12,011,846</u>
Total assets less current liabilities		18,078,001	15,450,256
Creditors: Amounts falling due after more than one year	15	<u>(782,892)</u>	<u>(414,878)</u>
Net assets		<u>17,295,109</u>	<u>15,035,378</u>
Capital and reserves			
Called up share capital	20	25,035	25,035
Profit and loss account		<u>17,270,074</u>	<u>15,010,343</u>
Shareholders' funds		<u>17,295,109</u>	<u>15,035,378</u>

These financial statements were approved and authorised for issue by the Board on 24/9/20 and signed on its behalf by:



J A Marriott
Director

Michael I Holdsworth Limited

Statement of Changes in Equity for the Year Ended 29 February 2020

	Share capital £	Profit and loss account £	Total £
At 1 March 2019	25,035	15,010,343	15,035,378
Profit for the year	-	3,313,731	3,313,731
Total comprehensive income	-	3,313,731	3,313,731
Dividends	-	(1,054,000)	(1,054,000)
At 29 February 2020	25,035	17,270,074	17,295,109

	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	25,035	15,010,343	15,035,378

The notes on pages 14 to 25 form an integral part of these financial statements.

Michael I Holdsworth Limited

Notes to the Financial Statements for the Year Ended 29 February 2020

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, including the impact of the COVID-19 pandemic on the business, 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 29 February 2020 (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 29 February 2020 (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:

	2020	2019
	£	£
Profit on disposal of tangible fixed assets	(9,992)	(25,646)
Depreciation of owned assets	1,066,372	1,002,548
Depreciation of assets held under hire purchase contracts	510,521	443,103
Amortisation	128,866	152,764

Michael I Holdsworth Limited

Notes to the Financial Statements for the Year Ended 29 February 2020 (continued)

4 Auditors' remuneration

	2020 £	2019 £
Audit of the financial statements	<u>16,900</u>	<u>16,400</u>
Other fees to auditors		
Tax services	2,800	7,325
Other services	<u>2,816</u>	<u>2,485</u>
	<u>5,616</u>	<u>9,810</u>

5 Staff costs

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

	2020 £	2019 £
Wages and salaries	11,699,611	10,913,323
Social security costs	1,106,745	1,205,120
Pension costs, defined contribution scheme	<u>429,912</u>	<u>301,755</u>
	<u>13,236,268</u>	<u>12,420,198</u>

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

	2020 No.	2019 No.
Administration	37	35
Distribution and selling	<u>395</u>	<u>379</u>
	<u>432</u>	<u>414</u>

6 Directors' remuneration

The directors' remuneration for the year was as follows:

	2020 £	2019 £
Remuneration (including benefits in kind)	<u>10,421</u>	<u>10,806</u>

Michael I Holdsworth Limited

Notes to the Financial Statements for the Year Ended 29 February 2020 (continued)

7 Other interest receivable and similar income

	2020 £	2019 £
Bank interest receivable	64,963	47,645
Other finance income	1,231	4,513
	<u>66,194</u>	<u>52,158</u>

8 Interest payable and similar charges

	2020 £	2019 £
Hire purchase interest	<u>32,322</u>	<u>28,224</u>

9 Income tax

Tax charged/(credited) in the income statement

	2020 £	2019 £
Current taxation		
UK corporation tax	744,040	893,865
UK corporation tax adjustment in respect of prior periods	-	(135,525)
	<u>744,040</u>	<u>758,340</u>
Deferred taxation		
Arising from origination and reversal of timing differences	<u>35,000</u>	<u>(30,000)</u>
	<u>779,040</u>	<u>728,340</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2019 - lower than the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	2020 £	2019 £
Profit before tax	<u>4,092,771</u>	<u>4,113,366</u>
Corporation tax at standard rate	777,626	781,540
Expenses not deductible in determining taxable profit	22,659	54,475
Deferred tax expense relating to change in tax rates	(21,245)	27,850
Other tax effects	-	(135,525)
Total tax charge	<u>779,040</u>	<u>728,340</u>

Michael I Holdsworth Limited

Notes to the Financial Statements for the Year Ended 29 February 2020 (continued)

9 Income tax (continued)

Deferred tax

Deferred tax assets and liabilities

	Asset £
2020	
Difference between capital allowances and depreciation	150,000
Unpaid pension contributions	15,000
	<u>165,000</u>
2019	
Difference between capital allowances and depreciation	190,000
Unpaid pension contributions	10,000
	<u>200,000</u>

10 Intangible assets

	Goodwill £
Cost or valuation	
At 1 March 2019 and 29 February 2020	2,049,632
Amortisation	
At 1 March 2019	1,703,232
Amortisation charge	128,866
At 29 February 2020	<u>1,832,098</u>
Carrying amount	
At 29 February 2020	<u>217,534</u>
At 28 February 2019	<u>346,400</u>

Michael I Holdsworth Limited

Notes to the Financial Statements for the Year Ended 29 February 2020 (continued)

11 Tangible assets

	Land and buildings £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 March 2019	204,256	3,019,048	5,956,076	9,179,380
Additions	-	138,461	1,778,983	1,917,444
Disposals	-	(40,863)	(867,055)	(907,918)
At 29 February 2020	<u>204,256</u>	<u>3,116,646</u>	<u>6,868,004</u>	<u>10,188,906</u>
Depreciation				
At 1 March 2019	80,321	2,477,913	3,557,136	6,115,370
Charge for the year	15,434	217,346	1,344,113	1,576,893
Eliminated on disposal	-	(38,390)	(845,037)	(883,427)
At 29 February 2020	<u>95,755</u>	<u>2,656,869</u>	<u>4,056,212</u>	<u>6,808,836</u>
Net book value				
At 29 February 2020	<u>108,501</u>	<u>459,777</u>	<u>2,811,792</u>	<u>3,380,070</u>
At 28 February 2019	<u>123,935</u>	<u>541,135</u>	<u>2,398,940</u>	<u>3,064,010</u>

Leased assets

Included within the net book value of tangible fixed assets is £2,068,696 (2019 - £1,461,553) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £510,521 (2019 - £443,103).

Michael I Holdsworth Limited

Notes to the Financial Statements for the Year Ended 29 February 2020 (continued)

12 Investments held as fixed assets

Other investments

	Unlisted investments £
Cost	
At 1 March 2019	28,000
Revaluation	1,824
At 29 February 2020	<u>29,824</u>
Net book value	
At 29 February 2020	<u>29,824</u>
At 28 February 2019	<u>28,000</u>

13 Stocks

	2020 £	2019 £
Stocks of fuel	41,516	66,755
Frozen and dry goods for resale	<u>6,811,603</u>	<u>7,256,132</u>
	<u>6,853,119</u>	<u>7,322,887</u>

14 Debtors

	2020 £	2019 £
Trade debtors	7,500,428	7,297,596
Amounts owed by group undertakings	267,188	265,665
Other debtors	130,621	112,317
Prepayments	779,706	784,203
Deferred tax assets	<u>165,000</u>	<u>200,000</u>
	<u>8,842,943</u>	<u>8,659,781</u>

Michael I Holdsworth Limited

Notes to the Financial Statements for the Year Ended 29 February 2020 (continued)

15 Creditors

	2020 £	2019 £
Due within one year		
Obligations under finance lease and hire purchase contracts	828,221	629,908
Trade creditors	7,326,711	7,769,370
Social security and other taxes	332,002	312,786
Other payables	268,524	292,395
Accrued expenses	711,960	757,437
Corporation tax	314,040	513,865
	<u>9,781,458</u>	<u>10,275,761</u>
Due after one year		
Obligations under finance lease and hire purchase contracts	<u>782,892</u>	<u>414,878</u>

16 Loans and borrowings

	2020 £	2019 £
Current loans and borrowings		
Obligations under finance lease and hire purchase contracts	<u>828,221</u>	<u>629,908</u>
	2020 £	2019 £
Non-current loans and borrowings		
Obligations under finance lease and hire purchase contracts	<u>782,892</u>	<u>414,878</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 29 February 2020 (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:

	2020 £	2019 £
Not later than one year	857,676	649,300
Later than one year and not later than five years	811,058	321,474
Later than five years	-	108,085
	<u>1,668,734</u>	<u>1,078,859</u>

Operating leases

The total of future minimum lease payments is as follows:

	2020 £	2019 £
Not later than one year	643,268	669,362
Later than one year and not later than five years	916,230	1,206,305
Later than five years	136,924	157,500
	<u>1,696,422</u>	<u>2,033,167</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £1,371,326 (2019 - £1,345,062).

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 £429,912 (2019 - £301,755).

Contributions totalling £77,322 (2019 - £52,514) 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 £Nil (2019 - £356,110).

Michael I Holdsworth Limited

Notes to the Financial Statements for the Year Ended 29 February 2020 (continued)

20 Share capital

Allotted, called up and fully paid shares

	2020		2019	
	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

	2020 £	2019 £
Dividends paid		
Ordinary interim dividends paid	1,031,250	982,500
Deferred dividends paid	<u>22,750</u>	<u>19,250</u>
	<u>1,054,000</u>	<u>1,001,750</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 £
2020	
Leases	<u>174,612</u>
2019	
Leases	<u>174,612</u>

Michael I Holdsworth Limited

Notes to the Financial Statements for the Year Ended 29 February 2020 (continued)

22 Related party transactions (continued)

Loans from related parties

	Other related parties £
2020	
At start of period	73,702
Advanced	558,451
Repaid	<u>(492,843)</u>
At end of period	<u>139,310</u>
	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>

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.



**Chartered
Accountants**

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Our Ref: PEH/CIH/KA

29 September 2020

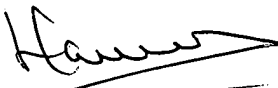
Registrar of Companies
Companies House
Crown Way
CARDIFF
CF14 3UZ

Dear Sir

Michael I Holdsworth Limited (02027459)
Holdsworth Holdings Limited (01280605)

We enclose accounts for the above companies for filing.

Yours faithfully


Hawsons

Partners: S L Bladen FCA R M Burkimsher FCA C M Burton FCA D T Cairns FCA S A Charles FCA C I Hill FCA
D J Owens ACA S W L Sanderson ACA P J Wilmer FCA M A Wilmott FCA P A Wormald FCCA

Also at Doncaster and Northampton.

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