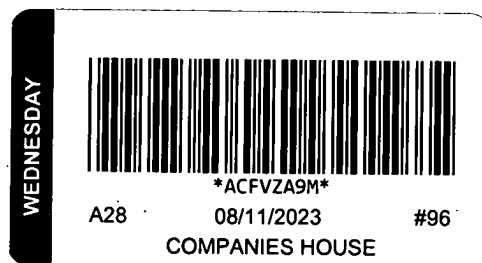


Registration number: 02027459

Michael I Holdsworth Limited

Annual Report and Financial Statements

for the Year Ended 28 February 2023



Michael I Holdsworth Limited

Contents

Company Information	1
Strategic Report	2 to 5
Directors' Report	6 to 8
Statement of Directors' Responsibilities	9
Independent Auditor's Report	10 to 12
Statement of Comprehensive Income	13
Balance Sheet	14
Statement of Changes in Equity	15
Notes to the Financial Statements	16 to 28

Michael I Holdsworth Limited

Company Information

Directors 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 2023

The directors present their strategic report for the year ended 28 February 2023.

Michael I Holdsworth Limited (trading as Holdsworth Foods) are delivered wholesalers of frozen, chilled and ambient pre-packed foods to the catering industry. We operate from 10 depots in Derbyshire, Yorkshire, Lincolnshire, Bedfordshire, Worcestershire, Powys, Essex & Dorset.

Founded in 1969, we have grown to become one of the largest independently owned food service distributors in the UK as a result of our commitment to offer customers a competitive package with the best quality, value for money products and excellent service. Our customer base includes hotels, pubs and national pub chains, restaurants, Local Authorities, visitor attractions and heritage sites, cafes, coffee shops and sandwich bars.

Managing Director's statement

2022 has been a challenging but overall successful year for Holdsworth. Food inflation has been one of the main pressures that we have faced, along with considerable rising costs in almost all areas of the business.

One of the most significant changes has been the retirement of Managing Director, John Marriott, and subsequent appointment of Rupert Holdsworth to the position. Rupert joined the company in 2001, so has over 20 years' experience.

Despite the highly uncertain economic outlook and the threat of global instability due to the ongoing war in Ukraine, we will continue to focus on improving our business. Investment is planned for our commitment to improving sustainability, upgrading technology and replacing much of the fleet in the year ahead. By ensuring the business is operating as efficiently as possible and continuing to offer our customers a high level of service, we will be in the best position to manage the external challenges that our industry is currently facing.

Fair review of the business

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

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, STS Storage and Distribution and Soil Association Organic Wholesaler standards.

Sales for the year were strong, which was partly due to food inflation. This resulted in a turnover of £133.9m, which represents a 39.0% increase on the previous year. Gross profit increased by 40.4% and overheads increased by 16.5%. We expect overheads to increase further in 2023 – 2024 as delayed costs materialise. These include a comparatively reduced vehicle depreciation figure owing to the delays in new vehicle deliveries due to global supply constraints and electricity costs benefitting from long term supply contracts that expire in 2023.

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.

Michael I Holdsworth Limited

Strategic Report for the Year Ended 28 February 2023 (continued)

Principal risks and uncertainties

Global political instability, together with economic uncertainty are the most immediate threats to our business. As a consequence of the continuing war in Ukraine, there is greater pressure on the supply chain, as well as a shortage of goods. This is leading to higher costs in raw materials including food, fuel and energy.

The continuity of food supplies is fundamental to our business operation, because we have a large supplier base we are able to mitigate some risk by being able to source equivalent alternative goods from different suppliers rather than relying heavily on buying a large number of products from a small number of suppliers.

Inflation has been unprecedented in the food sector and although our procurement department maintains strong supplier relationships and closely reviews supplier contracts in order to maintain pricing stability, it has been impossible to negotiate delays to price rises in many cases and therefore these have inevitably had to be passed on to customers with no or very little notice. This poses uncertainty for our industry as consumers are being impacted by higher costs of living and may well not have disposable income for eating out in the months ahead.

The threat from competitors is mitigated by active key account management, monitoring product pricing and maintaining quality and service delivery.

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 objectives

Our objectives are continued business growth via increased market share, to provide sustainable reward for our shareholders and staff whilst continuing to meet our customers' product, service delivery and price requirements. We are committed to our aims of minimising our environmental impact and operating our business in a sustainable manner.

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

Our customers and suppliers

With over 4500 product lines, we are able to supply a wide range of sectors in the hospitality industry. We continually review our geographical areas to ensure we can offer the same, high levels of service across all sectors and regions. The relationships we build with customers have allowed us to establish a great deal of loyalty with some continuing for more than 20 years. We regularly support customers by way of sponsorship or donation of money or goods for various events.

Our supplier relationships are hugely important, consistency in product quality and supply is of utmost importance in our industry. We endeavour to develop long-lasting supplier partnerships and have worked with many of our suppliers for at least 10 years and some since the business was founded over 50 years ago.

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 39 days (2022: 40 days) and invoices due, but not paid within agreed terms, was 5% (2022: 8%).

Michael I Holdsworth Limited

Strategic Report for the Year Ended 28 February 2023 (continued)

Our staff and communities

There are currently over 400 members of staff including four Holdsworth family members which we feel helps to give Holdsworth an advantage over some other similar businesses through an added sense of loyalty, commitment and collective values. Many of our staff have worked with us since the business was in its early days. We encourage career development by promoting from within the organisation wherever possible, many of the senior managers have been promoted through the business which gives our management team a wealth of experience and helps to promote a sense of job security throughout all employees. We want our organisation to be a positive place to work and strive to be a supportive and flexible employer.

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. These include a broad range of organisations from homeless charities, foodbanks, mental health charities, hospice care, education, residential homes and sports clubs.

Our environment

As part of our continuing drive for improvement, we have developed an Environmental Policy which sets out our commitment to reducing our environmental impact and, where possible, improving the local environmental conditions. We have undertaken to make every employee of the company understand and implement the aspects of this policy in their day to day work, through regular communication of objectives and achievements.

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 became fully ESOS compliant in 2015 and were re-assessed in 2019. Building on ESOS, from 2021 onwards we measure and report on our energy and carbon emissions annually as a business via SECR (Streamlined Energy & Carbon Reporting).

Green electricity is produced at our Derbyshire Head Office by way of a photovoltaic system to power our 12,000 sq. ft. cold store. We are committed to increasing the amount of green electricity generated in the future and have a further photovoltaic system at our new Bedford Depot. We are due to install a further 650kWp of rooftop PV solar across our sites by the end of 2023. There is a rolling programme of replacing inefficient lighting and heating across all of our sites and this continues into 2023 and 2024.

Our distribution fleet is Euro V and Euro VI compliant. Preventative maintenance contracts are in place for all our delivery vehicles and associated plant, ensuring they operate at maximum efficiency. Deliveries are routed to ensure the shortest journey time possible, thus reducing emissions, food miles and our carbon footprint. The multi-temperature nature of our vehicles enables catering establishments to receive frozen, chilled and ambient goods in one delivery, reducing food miles in the supply chain.

We source and supply many products which meet sustainable standards, enabling customers to meet their own sustainable procurement and product targets. Holdsworth carries Soil Association Accreditation as a wholesaler 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.

Holdsworth prevent packaging waste being sent to landfill by minimising general waste collections in favour of either fully separated or mixed recycling collections. In 2018, our Tideswell Head Office became our first 'zero waste to landfill' site. Holdsworth are fully compliant with the Waste Packaging Producer Responsibility Regulations and meet our responsibilities via membership of the European Recycling Platform Compliance Scheme (Reg. No. NPWD1787)

The procurement and provision of services to our sites also reduces supply chain miles as Holdsworth have a policy of using local contractors for service provision wherever possible, rather than national providers.

Michael I Holdsworth Limited

Strategic Report for the Year Ended 28 February 2023 (continued)

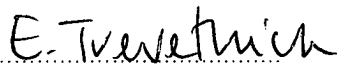
Future developments

Our short term strategy includes the assessment of our non-financial indicators such as our Quality and Safety policies and accreditations, IT requirements, employee and 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, improve facilities, and invest in new technologies to improve efficiency.

Our long term strategy is to continue to expand our business from our existing sites, together with seeking out new opportunities whilst operating in a sustainable manner.

Approved by the Board on 14.8.23 and signed on its behalf by:


E V Trevethick
Director

Michael I Holdsworth Limited

Directors' Report for the Year Ended 28 February 2023

The directors present their report and the audited financial statements for the year ended 28 February 2023.

Directors of the company

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

J A Marriott (resigned 20 January 2023)

R J C Warhurst

R M E Holdsworth

E V Trevethick

Principal activity

Michael I Holdsworth Limited (trading as Holdsworth Foods) are delivered wholesalers of frozen, chilled and ambient pre-packed foods to the catering industry. We operate from 10 depots in Derbyshire, Yorkshire, Lincolnshire, Bedfordshire, Worcestershire, Powys, Essex and Dorset.

Our objectives are continued business growth via increased market share, to provide sustainable reward for our shareholders and staff whilst continuing to meet our customers' product, service delivery and price requirements. We are committed to our aims of minimising our environmental impact and operating our business in a sustainable manner.

Dividends

Dividends paid during the year amounted to £4,592,500 (2022 - £1,350,000).

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.

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.

Michael I Holdsworth Limited

Directors' Report for the Year Ended 28 February 2023 (continued)

Environmental policies

As part of our continuing drive for improvement, we have developed an Environmental Policy which sets out our commitment to reducing our environmental impact and, where possible, improving the local environmental conditions. We have undertaken to make every employee of the company understand and implement the aspects of this policy in their day to day work, through regular communication of objectives and achievements. More details of our Environmental Policy can be seen in our Strategic Report.

Streamlined Energy and Carbon Reporting

Aspect	2023		2022	
	Energy (kWh)	CO2e (tonnes)	Energy (kWh)	CO2e (tonnes)
Scope 1 Emissions				
Company vehicles, grey fleet, natural gas & propane	14,836,944	3,567.2	12,877,107	3,047
Scope 2 Emissions				
Purchased electricity	8,569,707	1,657.2	5,881,587	1,249
Scope 3 Emissions				
Optional - not covered	-	-	-	-
Totals	23,406,652	5,224.4	18,758,694	4,296

Intensity Metric

Metric	2023	2022
kg of total CO2e per £1,000 of turnover	39	45

The company's energy use and emissions reported relate to premises, company vehicles and grey fleet. Scope 3 emissions are not currently measured by the company.

The data for this SECR report has been compiled using the same methodology used for ESOS with carbon emissions being calculated using the Government Guidelines for GHG Reporting.

In 2022-23, Scope 1 Emissions increased by around 17% and Scope 2 emissions increased by around 33%. Company vehicles & the grey fleet account for 98.5% of Scope 1 emissions. Increased business activity following the periods of lockdown and restrictions is the major cause of the increase of CO2e emissions. This is supported by the reduction in the intensity metric 44.6. to 39.0.

Green electricity is produced at our Derbyshire Head Office by way of a photovoltaic system to power our 12,000 sq. ft. cold store. We are committed to increasing the amount of green electricity generated in the future and have installed a further photovoltaic system at our new Bedford Depot. We are in the planning stages of a large photovoltaic installation at several other Holdsworth Foods sites. Existing warehouse lighting is renewed with high efficiency LED lighting on a rolling basis, with full site replacement having taken place at our Halifax Butchery & Aveley Dry Store.

We ensure vehicles are fully maintained, routed to reduce mileage and our staff are trained to drive in a manner that reduces emissions. Our distribution fleet is renewed with Euro 6 compliant multi-temperature vehicles with alternator driven refrigeration units, rather than separate diesel engines.

In December 2019 the company fully complied with the requirements of the Energy Savings Opportunity Scheme Regulations 2014 (ESOS) using the energy audit route and will be following the same route for ESOS Phase 3 compliance..

Michael I Holdsworth Limited

Directors' Report for the Year Ended 28 February 2023 (continued)

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 14.8.23 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 28 February 2023, 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 2023 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 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 or 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 9, 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 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Michael I Holdsworth Limited

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

The company is subject to laws and regulations that directly and indirectly affect the financial statements. Based on our understanding of the company and the environment it operates within, we determined that the laws and regulations which were most significant included FRS 102, Companies Act 2006 and Health and Safety regulations. We considered the extent to which non-compliance with these laws and regulations might have a material effect on the financial statements, including how fraud might occur. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to improve the company's result for the period and management bias in key accounting estimates.

Audit procedures performed by the engagement team included:

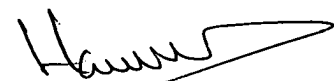
- Discussions with management and those responsible for legal compliance procedures within the company to obtain an understanding of the legal and regulatory framework applicable to the company and how the company complies with that framework, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud and non-compliance with laws and regulations;
- Challenging assumptions and judgements made by management in their significant accounting estimates;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or posted by senior management.

There are inherent limitations in the audit procedures described above and the more removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor-s-responsibilities-for. This description forms part of our auditor's report.

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: 25/8/23

Michael I Holdsworth Limited

Statement of Comprehensive Income for the Year Ended 28 February 2023

	Note	2023 £	2022 £
Turnover	2	133,941,073	96,388,060
Cost of sales		<u>(96,483,730)</u>	<u>(69,715,956)</u>
Gross profit		37,457,343	26,672,104
Distribution costs		(21,427,787)	(17,819,004)
Administrative expenses		(5,121,014)	(4,966,831)
Other operating income	3	<u>264,890</u>	<u>906,603</u>
Operating profit	4	11,173,432	4,792,872
Income from other fixed asset investments		400	(1,100)
Other interest receivable and similar income	8	275,084	10,143
Interest payable and similar charges	9	<u>(26,224)</u>	<u>(21,790)</u>
Profit before tax		11,422,692	4,780,125
Taxation	10	<u>(2,152,602)</u>	<u>(983,754)</u>
Profit for the financial year		<u>9,270,090</u>	<u>3,796,371</u>
Total comprehensive income for the year		<u><u>9,270,090</u></u>	<u><u>3,796,371</u></u>

The above results were derived from continuing operations.

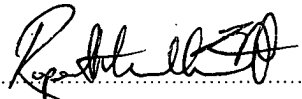
Michael I Holdsworth Limited

(Registration number: 02027459)

Balance Sheet as at 28 February 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	11	-	29,556
Tangible assets	12	3,936,129	3,336,876
Investments	13	48,800	48,400
		<u>3,984,929</u>	<u>3,414,832</u>
Current assets			
Stocks	14	10,045,730	8,211,510
Debtors	15	10,586,166	8,164,658
Cash at bank and in hand		12,639,735	8,174,683
		<u>33,271,631</u>	<u>24,550,851</u>
Creditors: Amounts falling due within one year	16	<u>(14,977,967)</u>	<u>(11,003,963)</u>
Net current assets		<u>18,293,664</u>	<u>13,546,888</u>
Total assets less current liabilities		22,278,593	16,961,720
Creditors: Amounts falling due after more than one year	16	(357,283)	-
Provisions for liabilities	10	<u>(282,000)</u>	<u>-</u>
Net assets		<u>21,639,310</u>	<u>16,961,720</u>
Capital and reserves			
Called up share capital	21	25,035	25,035
Profit and loss account		<u>21,614,275</u>	<u>16,936,685</u>
Shareholders' funds		<u>21,639,310</u>	<u>16,961,720</u>

These financial statements were approved and authorised for issue by the Board on 14/08/23 and signed on its behalf by:



R M E Holdsworth
Director

Michael I Holdsworth Limited

Statement of Changes in Equity for the Year Ended 28 February 2023

	Share capital £	Profit and loss account £	Total £
At 1 March 2022	25,035	16,936,685	16,961,720
Profit for the year	-	9,270,090	9,270,090
Total comprehensive income	-	9,270,090	9,270,090
Dividends	-	(4,592,500)	(4,592,500)
At 28 February 2023	25,035	21,614,275	21,639,310

	Share capital £	Profit and loss account £	Total £
At 1 March 2021	25,035	14,490,314	14,515,349
Profit for the year	-	3,796,371	3,796,371
Total comprehensive income	-	3,796,371	3,796,371
Dividends	-	(1,350,000)	(1,350,000)
At 28 February 2022	25,035	16,936,685	16,961,720

The notes on pages 16 to 28 form an integral part of these financial statements.

Michael I Holdsworth Limited

Notes to the Financial Statements for the Year Ended 28 February 2023

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.

Summary of disclosure exemptions

The company is a qualifying entity for the purposes of FRS102 and has therefore taken advantage of the disclosure exemptions available in FRS102 in relation to the preparation of a cash flow statement and the disclosure of intra group transactions.

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.

Michael I Holdsworth Limited

Notes to the Financial Statements for the Year Ended 28 February 2023 (continued)

1 Accounting policies (continued)

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	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.

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 2023 (continued)

1 Accounting policies (continued)

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.

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 12 for the carrying amount of the tangible assets.

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.

Michael I Holdsworth Limited

Notes to the Financial Statements for the Year Ended 28 February 2023 (continued)

3 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2023 £	2022 £
Government grants	-	683,057
Other income	264,890	223,546
	<u>264,890</u>	<u>906,603</u>

4 Operating profit

Operating (loss)/profit is stated after charging:

	2023 £	2022 £
Profit on disposal of tangible fixed assets	(65,550)	(18,538)
Depreciation of owned assets	1,166,711	999,795
Depreciation of assets held under hire purchase contracts	171,653	213,108
Amortisation	<u>29,556</u>	<u>79,744</u>

5 Auditors' remuneration

	2023 £	2022 £
Audit of the financial statements	<u>21,250</u>	<u>17,750</u>
Other fees payable to auditors		
Tax services	3,325	2,925
Other services	<u>4,250</u>	<u>3,605</u>
	<u>7,575</u>	<u>6,530</u>

Michael I Holdsworth Limited

Notes to the Financial Statements for the Year Ended 28 February 2023 (continued)

6 Staff costs

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

	2023 £	2022 £
Wages and salaries	13,492,781	11,381,557
Social security costs	1,399,471	929,477
Pension costs, defined contribution scheme	496,479	439,784
	<u>15,388,731</u>	<u>12,750,818</u>

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

	2023 No.	2022 No.
Administration	35	34
Distribution and selling	404	371
	<u>439</u>	<u>405</u>

7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2023 £	2022 £
Remuneration (including benefits in kind)	12,891	10,621
Contributions paid to money purchase schemes	-	7,250
	<u>12,891</u>	<u>17,871</u>

Michael I Holdsworth Limited

Notes to the Financial Statements for the Year Ended 28 February 2023 (continued)

8 Other interest receivable and similar income

	2023 £	2022 £
Bank interest receivable	275,084	5,586
Other finance income	-	4,557
	<u>275,084</u>	<u>10,143</u>

9 Interest payable and similar charges

	2023 £	2022 £
Hire purchase interest	<u>26,224</u>	<u>21,790</u>

10 Income tax

Tax charged/(credited) in the income statement

	2023 £	2022 £
Current taxation		
UK corporation tax	1,850,602	963,754
Deferred taxation		
Arising from origination and reversal of timing differences	<u>302,000</u>	<u>20,000</u>
	<u>2,152,602</u>	<u>983,754</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2022 - higher than the standard rate of corporation tax in the UK) of 19% (2022 - 19%).

The differences are reconciled below:

	2023 £	2022 £
Profit before tax	<u>11,422,692</u>	<u>4,780,125</u>
Corporation tax at standard rate	2,170,311	908,224
Expenses not deductible in determining taxable profit	13,577	20,906
Changes in tax rates	71,739	(5,000)
Other tax effects	<u>(103,025)</u>	<u>59,624</u>
Total tax charge	<u>2,152,602</u>	<u>983,754</u>

Michael I Holdsworth Limited

Notes to the Financial Statements for the Year Ended 28 February 2023 (continued)

10 Income tax (continued)

Deferred tax

Deferred tax assets and liabilities

	Asset £	Liability £
2023		
Difference between capital allowances and depreciation	-	308,000
Unpaid pension contributions	26,000	-
	<u>26,000</u>	<u>308,000</u>
2022		Asset £
Difference between capital allowances and depreciation		-
Unpaid pension contributions		20,000
		<u>20,000</u>

11 Intangible assets

	Goodwill £
Cost or valuation	
At 1 March 2022 and 28 February 2023	2,049,632
Amortisation	
At 1 March 2022	2,020,076
Amortisation charge	29,556
At 28 February 2023	<u>2,049,632</u>
Carrying amount	
At 28 February 2023	-
At 28 February 2022	<u>29,556</u>

Michael I Holdsworth Limited

Notes to the Financial Statements for the Year Ended 28 February 2023 (continued)

12 Tangible assets

	Land and buildings £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 March 2022	296,344	4,922,787	6,698,349	11,917,480
Additions	-	89,699	1,847,918	1,937,617
Disposals	-	(22,784)	(899,482)	(922,266)
At 28 February 2023	<u>296,344</u>	<u>4,989,702</u>	<u>7,646,785</u>	<u>12,932,831</u>
Depreciation				
At 1 March 2022	102,742	3,093,942	5,383,920	8,580,604
Charge for the year	4,422	475,119	858,823	1,338,364
Eliminated on disposal	-	(22,784)	(899,482)	(922,266)
At 28 February 2023	<u>107,164</u>	<u>3,546,277</u>	<u>5,343,261</u>	<u>8,996,702</u>
Carrying amount				
At 28 February 2023	<u>189,180</u>	<u>1,443,425</u>	<u>2,303,524</u>	<u>3,936,129</u>
At 28 February 2022	<u>193,602</u>	<u>1,828,845</u>	<u>1,314,429</u>	<u>3,336,876</u>

Leased assets

Included within the net book value of tangible fixed assets is £1,085,417 (2022 - £544,529) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £171,653 (2022 - £213,108).

Michael I Holdsworth Limited

Notes to the Financial Statements for the Year Ended 28 February 2023 (continued)

13 Investments held as fixed assets

Other investments

	Unlisted investments £
Cost	
At 1 March 2022	48,400
Revaluation	400
At 28 February 2023	<u>48,800</u>
Net book value	
At 28 February 2023	<u>48,800</u>
At 28 February 2022	<u>48,400</u>

14 Stocks

	2023 £	2022 £
Stocks of fuel	77,454	63,460
Frozen and dry goods for resale	<u>9,968,276</u>	<u>8,148,050</u>
	<u>10,045,730</u>	<u>8,211,510</u>

15 Debtors

	2023 £	2022 £
Trade debtors	9,018,694	6,807,790
Amounts owed by group undertakings	275,418	270,176
Other debtors	193,917	154,774
Prepayments	1,098,137	837,155
Deferred tax assets	-	20,000
Corporation tax	-	74,763
	<u>10,586,166</u>	<u>8,164,658</u>

Michael I Holdsworth Limited

Notes to the Financial Statements for the Year Ended 28 February 2023 (continued)

16 Creditors

	2023 £	2022 £
Due within one year		
Obligations under finance lease and hire purchase contracts	532,648	179,744
Trade creditors	10,487,033	8,407,153
Social security and other taxes	366,161	314,243
Other payables	908,509	862,639
Accrued expenses	1,333,015	1,240,184
Corporation tax	1,350,601	-
	<u>14,977,967</u>	<u>11,003,963</u>
Due after one year		
Obligations under finance lease and hire purchase contracts	<u>357,283</u>	<u>-</u>

17 Loans and borrowings

	2023 £	2022 £
Current loans and borrowings		
Hire purchase contracts	<u>532,648</u>	<u>179,744</u>
	2023 £	2022 £
Non-current loans and borrowings		
Hire purchase contracts	<u>357,283</u>	<u>-</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 2023 (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:

	2023 £	2022 £
Not later than one year	563,219	186,126
Later than one year and not later than five years	378,459	-
	<u>941,678</u>	<u>186,126</u>

Operating leases

The total of future minimum lease payments is as follows:

	2023 £	2022 £
Not later than one year	867,018	379,084
Later than one year and not later than five years	2,781,191	2,277,059
Later than five years	4,603,962	5,325,342
	<u>8,252,171</u>	<u>7,981,485</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £1,528,317 (2022 - £1,734,341).

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 £496,479 (2022 - £439,784).

Contributions totalling £102,479 (2022 - £91,402) were payable to the scheme at the end of the year and are included in creditors.

Michael I Holdsworth Limited

Notes to the Financial Statements for the Year Ended 28 February 2023 (continued)

20 Commitments

Capital commitments

As at the balance sheet date, the company has capital commitments for motor vehicles.

The total amount contracted for but not provided in the financial statements was £1,124,990 (2022 - £1,563,221).

21 Share capital

Allotted, called up and fully paid shares

	2023		2022	
	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

	2023 £	2022 £
Dividends paid		
Ordinary interim dividends paid	4,575,000	1,350,000
Deferred dividends paid	<u>17,500</u>	<u>-</u>
	<u>4,592,500</u>	<u>1,350,000</u>

Ordinary interim dividends paid includes £3,000,000 (2022 - £nil) to clear intercompany loan balances.

23 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.

Michael I Holdsworth Limited

Notes to the Financial Statements for the Year Ended 28 February 2023 (continued)

23 Related party transactions (continued)

Expenditure with and payables to related parties

	Other related parties £
2023	
Leases	144,612

	Other related parties £
2022	
Leases	144,612

Loans from related parties

	Other related parties £
2023	
At start of period	690,576
Advanced	852,907
Repaid	(852,538)
At end of period	690,945

	Other related parties £
2022	
At start of period	94
Advanced	1,250,497
Repaid	(560,015)
At end of period	690,576

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

24 Parent and ultimate parent undertaking

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 balance sheet date, the company has paid dividends of £587,062.