

3031294

REGISTRAR

J R Holland (Food Services) Limited

Report and Abbreviated Accounts

30 April 2005

 **ERNST & YOUNG**



J R Holland (Food Services) Limited

Registered No: 3031294

Directors

J Holland
D Hutchinson
Mrs H Fletcher

Secretary

Mrs H Fletcher

Auditors

Ernst & Young LLP
Citygate
St James' Boulevard
Newcastle upon Tyne
NE1 4JD

Bankers

Lloyds TSB Bank plc
PO Box 381
102 Grey Street
Newcastle upon Tyne
NE99 1NH

Solicitors

Eversheds
Central Square South
Orchard Street
Newcastle upon Tyne
NE1 3XX

Registered Office

245 Dukesway
Team Valley Trading Estate
Gateshead
Tyne & Wear
NE11 0PZ

Directors' report

The directors present their report and abbreviated accounts for the 52 weeks ended 30 April 2005.

Results and dividends

The profit for the year, after taxation, amounted to £152,278. The directors do not recommend payment of a dividend.

Principal activity

The principal activity of the business is the temperature controlled distribution of fresh fruit, vegetables and dairy products.

Review of the business and future developments

The directors are very satisfied with the results for the year which showed a profit before tax of £200,778.

The directors are particularly pleased to report the continued significant improvement in trading profitability in 2004/05.

It is the directors' intention to further develop the company's customer base and to offer a wider product range whilst further improving the quality of service for which the company has already become well known.

Directors and their interests

The table below sets out the names of the persons who were directors of the company during the year ended 30 April 2005, together with details of their interests in the share capital of the company at that date, and corresponding details at 1 May 2004.

	<i>At 30 April 2005</i>	<i>At 1 May 2004 or subsequent date of appointment</i>
	<i>Ordinary shares</i>	<i>Ordinary shares</i>
J Holland	1,000	1,000
D Hutchinson	-	-
H Fletcher	-	-

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the forthcoming Annual General Meeting.

By order of the Board



Mrs H Fletcher
Secretary

27 January 2006

Statement of directors' responsibilities in respect of the financial statements

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

to J R Holland (Food Services) Limited under Section 247b of the Companies Act 1985

We have examined the company's abbreviated accounts for the year ended 30 April 2005 which comprise the Profit and Loss Account, Balance Sheet, Statement of Cash Flows and the related notes 1 to 22, which have been prepared in accordance with applicable United Kingdom law, together with the company's financial statements for the year ended 30 April 2005 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company those matters we are required to state in an auditors' 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, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246A(3) of the Companies Act 1985, and the abbreviated accounts are properly prepared in accordance with that provision.



Ernst & Young LLP
Registered Auditor
Newcastle upon Tyne

27 January 2006

Abbreviated Profit and loss account

For the year ended 30 April 2005

		2005 (52 weeks) £	2004 (53 weeks) £
	Notes		
Gross profit		2,948,162	2,837,510
Distribution costs		1,804,431	1,829,377
Administrative expenses		938,468	1,055,522
		2,742,899	2,884,899
Operating profit/(loss)	3	205,263	(47,389)
Profit on disposal of fixed assets		270	494
		205,533	(46,895)
Other interest receivable		-	13
Interest payable and similar charges	6	(4,755)	(11,184)
Profit/(loss) on ordinary activities before taxation		200,778	(58,066)
Tax (charge)/credit on profit/(loss) on ordinary activities	7	(48,500)	5,149
Profit/(loss) for the financial year	19	£152,278	£(52,917)

Statement of total recognised gains and losses

There are no recognised gains and losses other than the profit attributable to the members of the company of £152,278 in the year ended 30 April 2005 and of the loss of £52,917 in the year ended 1 May 2004.

Balance sheet

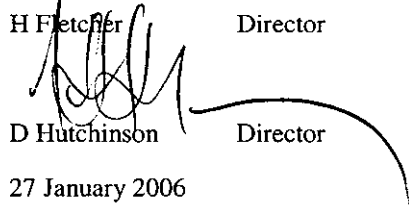
At 30 April 2005

	Notes	2005 £	2004 £
Fixed assets			
Tangible assets	8	91,105	70,400
Investments	9	137,709	146,316
		<u>228,814</u>	<u>216,716</u>
Current assets			
Stocks	10	64,663	70,996
Debtors	11	1,899,246	1,756,084
Cash at bank and in hand	12(b)	378	533
		<u>1,964,287</u>	<u>1,827,613</u>
Creditors: amounts falling due within one year	13	<u>1,290,535</u>	<u>1,635,987</u>
Net current assets		<u>673,752</u>	<u>191,626</u>
Total assets less current liabilities		<u>902,566</u>	<u>408,342</u>
Creditors: amounts falling due after more than one year	14	<u>462,907</u>	<u>120,961</u>
Provision for liabilities and charges			
Deferred taxation	17	-	-
		<u>462,907</u>	<u>120,961</u>
		<u>£439,659</u>	<u>£287,381</u>
Capital and reserves			
Called up share capital	18	1,000	1,000
Profit and loss account	19	438,659	286,381
Equity shareholders' funds	19	<u>£439,659</u>	<u>£287,381</u>

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium sized companies.



H Fletcher Director



D Hutchinson Director

27 January 2006

Statement of cash flows

For the year ended 30 April 2005

		2005 (52 weeks) £	2004 (53 weeks) £
	Notes		
Cash (outflow)/inflow from operating activities	12a	(246,792)	32,026
Returns on investment and servicing of finance			
Interest paid		(3,394)	(9,708)
Interest element of finance lease rental payments		(1,361)	(1,476)
Interest received		-	13
		(4,755)	(11,171)
Taxation			
UK corporation tax received/(paid)		3,597	(4,480)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(26,382)	(27,575)
Receipts from sales of intangible fixed assets		1,500	851
		(24,882)	(26,724)
Financing			
Net movement on long term borrowings		304,639	(99,709)
Repayment of capital element of finance leases and hire purchase contracts		(20,203)	(18,761)
		284,436	(118,470)
Increase/(decrease) in cash		£11,604	£(128,819)
Reconciliation of net cash flow to movement in net debt			
Increase/(decrease) in cash in the year		11,604	(128,819)
Cash (inflow)/outflow from increase/decrease in loans		(304,639)	99,709
Repayments of capital element of finance leases and hire purchase contracts		20,203	18,761
Change in net debt resulting from cash flows	12b	(272,832)	(10,349)
New finance lease and hire purchase contracts	12b	(36,772)	-
Movement in debt in the year		(309,604)	(10,349)
Net debt brought forward	12b	(228,461)	(218,112)
Net debt carried forward	12b	£(538,065)	£(228,461)

Notes to the abbreviated accounts

at 30 April 2005

1. Accounting policies

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

Period of account

These financial statements cover a 52 week period from 1 May 2004 to 30 April 2005. The prior accounting year comprised of 53 weeks ending on the Saturday nearest to 30 April. Periodically a 53 week accounting period is necessary to realign the accounting year with the calendar.

Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost less estimated residual value based on prices prevailing at the date of acquisition or revaluation, of each asset evenly over its expected useful life, as follows:

Leasehold property	-	over the life of the lease term
Plant and machinery	-	over 2 to 5 years
Motor vehicles	-	over 3 years

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

Raw materials, consumables and goods for resale - purchase cost on a first-in, first-out basis.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to disposal.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

Deferred taxation assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted;

Deferred taxation is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risk and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and represents a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Notes to the abbreviated accounts

at 30 April 2005

1. Accounting policies (continued)

Pensions

The company contributes to defined contribution pension schemes for its employees. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the schemes.

Basis of consolidation

Group financial statements have not been prepared because the company is entitled for the year ended 30 April 2005 to the exemption conferred by Section 248 of the Companies Act 1985 from the requirement to prepare group financial statements. Consequently the financial statements presented relate only to the company.

2. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties within the United Kingdom. Turnover is stated before discounts, which are included in cost of sales.

Turnover is attributable to one continuing activity, the temperature controlled distribution of fresh fruit, vegetables and dairy products.

3. Operating profit/(loss)

This is stated after charging:

	2005 £	2004 £
Auditors' remuneration	7,650	7,000
Depreciation of owned fixed assets	32,802	42,795
Depreciation of assets held under finance leases and hire purchase contracts	8,417	12,063
Provision against fixed asset investments (note 9)	8,607	8,607
Operating lease rentals - plant and vehicles	236,238	252,130
- land and buildings	63,000	63,000
	<u>356,714</u>	<u>385,605</u>

4. Directors' emoluments

	2005 £	2004 £
Emoluments	138,728	190,467
Company contributions to money purchase pension schemes	3,600	3,600
	<u>£142,328</u>	<u>£194,067</u>

Two directors were members of a defined contribution pension scheme.

Notes to the abbreviated accounts

at 30 April 2005

5. Staff costs

	2005 £	2004 £
Wages and salaries	1,417,940	1,474,608
Social security costs	122,623	130,576
Pension costs	12,543	14,887
	<u>£1,553,106</u>	<u>£1,620,071</u>

The average monthly number of employees during the period was as follows:

	2005 No.	2004 No.
Administration	17	18
Distribution	82	81
	<u>99</u>	<u>99</u>

6. Interest payable and similar charges

	2005 £	2004 £
Bank loans and overdrafts – repayable within five years, by instalments	3,394	9,708
Finance charges payable under finance leases and hire purchase contracts	1,361	1,476
	<u>£4,755</u>	<u>£11,184</u>

7. Tax on profit/(loss) on ordinary activities

	2005 £	2004 £
UK corporation tax	48,500	(3,467)
(Over)/underprovided in previous year	-	(1,682)
Total current corporation tax	<u>48,500</u>	<u>(5,149)</u>
Deferred tax (note 17)	-	-
Tax charge/(credit)	<u>£48,500</u>	<u>£(5,149)</u>

Notes to the abbreviated accounts

at 30 April 2005

7. Tax on profit/(loss) on ordinary activities (continued)

Factors affecting the current tax (credit)/charge:

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2004: 19%). The differences are reconciled below:

	2005 £	2004 £
Profit/(loss) on ordinary activities before taxation	200,778	(58,066)
Corporation tax at 30% (2004: 19%)	60,233	(11,033)
Other movements/expenses not deductible	973	2,634
Corporation tax underprovided in previous years	-	(1,682)
Depreciation in excess of/(less than) capital allowances	(3,191)	1,203
Unrelieved tax losses carried forward	-	3,729
Utilised tax losses brought forward	(4,135)	-
Other (marginal rate, rounding etc.)	(5,380)	-
Total current corporation tax charge/(credit)	£48,500	£(5,149)

The directors are not aware of any significant factors that may affect the future tax charges of the company.

8. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Total £
Cost:			
At 2 May 2004	168,922	190,714	359,636
Additions	26,382	36,772	63,154
Disposals	-	(31,020)	(31,020)
At 30 April 2005	195,304	196,466	391,770
Depreciation:			
At 2 May 2004	102,397	186,839	289,236
Charge for year	30,731	10,488	41,219
Disposals	-	(29,790)	(29,790)
At 30 April 2005	133,128	167,537	300,665
Net Book Value:			
At 30 April 2005	£62,176	£28,929	£91,105
At 2 May 2004	£66,525	£3,875	£70,400

Notes to the abbreviated accounts

at 30 April 2005

8. Tangible fixed assets (continued)

Fixed assets include assets acquired under finance leases and hire purchase agreements as follows:

	<i>Net book value</i>		<i>Depreciation charge</i>	
	2005	2004	2005	2004
	£	£	£	£
Motor vehicles	£28,765	£1,640	£8,417	£12,063

9. Investments

	<i>Subsidiary undertakings</i>
	£
Cost:	
At 30 April 2005 and 2 May 2004	172,137
Provisions:	
At 2 May 2004	25,821
Charge for year	8,607
At 30 April 2005	34,428
Net book value	
At 30 April 2005	£137,709
At 2 May 2004	£146,316

The carrying value of the investment in Specialist Food Supplies Limited is in excess of the net assets value of that company of £65,554. The difference relates to the goodwill created on hive-up of the business trade and assets. The whole of the cost of this investment is being written off over 20 years, being the directors' estimated useful economic life of the goodwill acquired.

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

<i>Name of company</i>	<i>Holding</i>	<i>Proportion of Voting rights and shares held</i>	<i>Nature of business</i>	<i>Capital and reserves</i>	<i>Profit/(loss)</i>
Subsidiary undertakings					
Specialist Food Supplies Limited	Ord. shares	100%	Dormant	£65,554	£Nil

Notes to the abbreviated accounts

at 30 April 2005

10. Stocks

	2005	2004
Goods for resale	£64,663	£70,996

11. Debtors

	2005 £	2004 £
Trade debtors	1,752,908	1,636,441
Other debtors	44,427	33,560
Prepayments and accrued income	101,911	82,616
Corporation tax debtor	-	3,467
	£1,899,246	£1,756,084

12. Notes to the statement of cashflows

a) Reconciliation of operating profit/(loss) to net cash inflow from operating activities

	2005 £	2004 £
Operating profit/(loss)	205,263	(47,389)
Depreciation of tangible fixed assets	41,219	54,858
Provision against fixed asset investments	8,607	8,607
Decrease/(increase) in stocks	6,333	(10,487)
(Increase)/decrease in operating debtors and prepayments	(146,629)	16,587
(Decrease)/increase in operating creditors and accruals	(361,585)	9,850
Net cash (outflow)/inflow from operating activities	£(246,792)	£32,026

b) Analysis of changes in net debt

	At 1 May 2004 £	Cash flow £	Other £	At 30 Apr 2005 £
Cash	533	(155)	-	378
Bank overdraft	(75,098)	11,759	-	(63,339)
	(74,565)	11,604	-	(62,961)
Finance lease/hire purchase obligations	(4,949)	20,203	(36,772)	(21,518)
Long term loans	(148,947)	(304,639)	-	(453,586)
	£(228,461)	£(272,832)	£(36,772)	£(538,065)

Notes to the abbreviated accounts

at 30 April 2005

13. Creditors: Amounts falling due within one year

	2005	2004
	£	£
Current instalment due on bank loan (note 15)	3,586	27,986
Bank overdraft	63,339	75,098
Obligations under finance leases and hire purchase contracts (note 16)	8,611	4,949
Trade creditors	964,359	1,256,144
Amounts owed to group undertaking	65,554	65,554
Corporation tax	48,630	-
Other taxes and social security costs	25,049	37,973
Other creditors	14,409	13,587
Accruals	96,998	154,696
	<u>£1,290,535</u>	<u>£1,635,987</u>

The bank overdraft and bank loan are secured by an unlimited debenture over the assets of the company.

14. Creditors: amounts falling due after more than one year

	2005	2004
	£	£
Bank loans (note 15)	-	6,961
Obligations under finance leases and hire purchase contracts (note 16)	12,907	-
Director's loan	-	114,000
Amounts owed to related undertakings (note 21)	450,000	-
	<u>£462,907</u>	<u>£120,961</u>

The director's loan is unsecured and 12 months notice of repayment is required. The finance leases and hire purchase contracts are secured on the assets to which they relate.

The loans from related undertakings are interest free and have no set repayment terms.

Notes to the abbreviated accounts

at 30 April 2005

15. Bank loans

	2005 £	2004 £
Wholly repayable within five years:		
Bank loans of £350,000	3,586	34,947
Less: included in creditors: amounts falling due within one year (note 13)	(3,586)	(27,986)
	<u>£ -</u>	<u>£6,961</u>
Amounts repayable:		
In one year or less or on demand	3,586	27,986
In more than one year but not more than two years	-	6,961
	<u>£3,586</u>	<u>£34,947</u>

16. Obligations under finance leases and hire purchase contracts

	2005 £	2004 £
Amounts payable:		
Within one year	9,917	5,101
Between two and five years	13,319	-
	<u>23,236</u>	<u>5,101</u>
Less: finance charged allocated to future periods	(1,718)	(152)
	<u>£21,518</u>	<u>£4,949</u>
Analysed between:		
Amounts falling due within one year (note 13)	8,611	4,949
Amounts falling due after more than one year (note 14)	12,907	-
	<u>£21,518</u>	<u>£4,949</u>

Notes to the abbreviated accounts

at 30 April 2005

17. Deferred taxation

The movements in deferred taxation during the current and previous years are as follows:

	2005 £	2004 £
At beginning of year	-	-
Credit for year	-	-
At end of year	£ -	£ -

Deferred taxation provided in the financial statements and the amounts not provided are as follows:

	2005	Provided 2004	Not provided 2005	Not provided 2004
Accelerated capital allowances	-	-	(6,061)	(8,518)
Short term timing differences	-	-	-	-
Trading losses	-	-	-	(3,729)
Deferred tax asset	£ -	£ -	£ (6,061)	£ (12,247)

18. Share capital

	2005	2004
<i>Authorised:</i>		
1,000 ordinary shares of £1 each	£1,000	£1,000
<i>Allotted, called up and fully paid:</i>		
1,000 ordinary shares of £1 each	£1,000	£1,000

19. Reconciliation of shareholders' funds and movement on reserves

	Share capital £	Profit and loss account £	Total shareholders' funds £
At 27 April 2003	1,000	339,298	340,298
Loss for the year	-	(52,917)	(52,917)
At 1 May 2004	1,000	286,381	287,381
Profit for the year	-	152,278	152,278
At 30 April 2005	£1,000	£438,659	£439,659

Notes to the abbreviated accounts

at 30 April 2005

20. Other financial commitments

Annual commitments under non-cancellable operating leases are as follows:

	<i>Land and buildings</i>		<i>Other</i>	
	2005	2004	2005	2004
	£	£	£	£
Operating leases which expire:				
Within one year	-	-	19,965	18,892
Within two to five years	63,000	69,500	154,063	208,968
Over five years	-	-	-	-
	<u>£63,000</u>	<u>£69,500</u>	<u>£174,028</u>	<u>£227,860</u>

The rent on land and buildings totalling £63,000 per annum was paid to the J Holland FURBS.

21. Controlling entity and related party transactions

For the whole year the company was under the control of J Holland, a director, due to his interest in 100% of the issued share capital of the company.

During the year, the company made net purchases with a total value of £1,146,964 from J R Holland & Son Fruit and Vegetable Wholesalers, an unincorporated business owned by J Holland. The transactions were in the ordinary course of business and at arms length. The balance owing by the company at the year end, included within trade creditors (note 13), was £19,474, and owing to the company at the year end, included within trade debtors (note 11), was £6,247.

Purchases were also made from J R Holland Flowers Limited, a company owned by J Holland, a director, with a total value of £46. The balance owing by the company at the year end, included within trade creditors (note 13) was £88, and owing to the company at the year end, included within trade debtors (note 11), by J R Holland Flowers Limited was £4,786.

Purchases were also made from H2H Produce Limited, a company owned by J Holland, a director, with a total value of £688,033. The balance owing by the company at the year end to H2H Produce Limited, included within trade creditors (note 13), was £130,298, and owing to the company at the year end, included within trade debtors (note 11), was £11,879.

Purchases were also made from H2H Produce (Leeds) with a total value of £183,826. The balance owing by the company at the year end, included within trade debtors (note 11), by H2H Produce (Leeds) was £6,453, and owing by the company at the year end, included within trade creditors (note 13), was £31,564.

During the period the company received loans from JR Holland Flowers Limited (£250,000) and H2H Produce Limited (£200,000) (see note 14).

22. Pension commitments

The company operates a defined contribution pension scheme for its directors and senior employees. There were no unpaid contributions outstanding at either year end.