


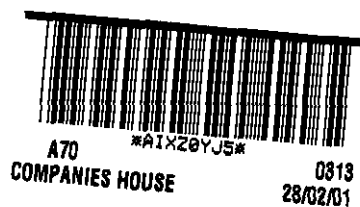
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J R HOLLAND (FOOD SERVICES) LIMITED

Report and Abbreviated Accounts

29 April 2000

 ERNST & YOUNG



J R Holland (Food Services) Limited

Registered No. 3031294

DIRECTORS

J Holland
D Hutchinson

SECRETARY

Mrs H Fletcher

AUDITORS

Ernst & Young
Norham House
12 New Bridge Street West
Newcastle upon Tyne
NE1 8AD

BANKERS

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

SOLICITORS

Wilkinson Maughan
Sun Alliance House
35 Mosley Street
Newcastle upon Tyne
NE1 1AA

REGISTERED OFFICE

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

J R Holland (Food Services) Limited

DIRECTORS' REPORT

The directors present their report and accounts for the 52 weeks ended 29 April 2000.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £66,019. The directors do not recommend payment of a dividend and the profit is to be transferred to reserves.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the business is the temperature controlled distribution of fresh fruit, vegetables and dairy products. The directors are satisfied with the results of the year.

FUTURE DEVELOPMENTS

It is the directors intention to develop further 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 29 April 2000, together with details of their interests in the shares of the company at that date, and corresponding details at 2 May 1999.

	<i>At 29 April 2000</i>	<i>At 2 May 1999</i>
	<i>Ordinary shares</i>	<i>Ordinary shares</i>
J Holland	1,000	1,000
D Hutchinson	-	-

EVENTS SINCE THE BALANCE SHEET DATE

On 30 April 2000 the trade and assets of its subsidiary undertaking, Specialist Food Supplies Limited, were transferred to the company.

AUDITORS

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

By order of the Board



Mrs H Fletcher
Secretary

27 February 2001

J R Holland (Food Services) Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts 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 accounts, 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 accounts; and

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 accounts 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.

REPORT OF THE AUDITORS**to J R Holland (Food Services) Limited under section 247B of the Companies Act 1985**

We have examined the abbreviated accounts on pages 6 to 18 together with the annual accounts of J R Holland (Food Services) Limited for the year ended 29 April 2000 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

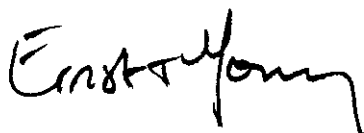
The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246A (3) of 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 considered necessary to confirm, by reference to the audited accounts, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered have been 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 full accounts.

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 on pages 6 to 18 are properly prepared in accordance with those provisions.

A handwritten signature in black ink, appearing to read 'Ernst & Young', written in a cursive, stylized script.

Ernst & Young
Registered Auditor
Newcastle upon Tyne

27 February 2001

J R Holland (Food Services) Limited

ABBREVIATED PROFIT AND LOSS ACCOUNT for the year ended 29 April 2000

		52 weeks ended 29 April 2000 £	52 weeks ended 1 May 1999 £
	Notes		
GROSS PROFIT		1,575,043	1,543,407
Distribution costs		915,512	865,310
Administrative expenses		543,126	500,290
		1,458,638	1,365,600
		116,405	177,807
Other operating income		-	3,719
OPERATING PROFIT	3	116,405	181,526
Interest payable and similar charges	6	19,023	14,819
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		97,382	166,707
Tax on profit on ordinary activities	7	31,363	43,465
RETAINED PROFIT FOR THE YEAR	17	£66,019	£123,242

There are no recognised gains and losses other than the profit attributable to the members of the company of £66,019 in the year ended 29 April 2000 and of £123,242 in the year ended 1 May 1999.

J R Holland (Food Services) Limited

BALANCE SHEET at 29 April 2000

	Notes	29 April 2000 £	1 May 1999 £
FIXED ASSETS			
Tangible assets	8	76,325	137,171
Investments	9	172,137	-
		<u>248,462</u>	<u>137,171</u>
CURRENT ASSETS			
Stocks	10	34,890	38,096
Debtors	11	1,036,597	1,037,770
Cash at bank and in hand		168,411	48,374
		<u>1,239,898</u>	<u>1,124,240</u>
CREDITORS: amounts falling due within one year	12	821,956	877,145
		<u>417,942</u>	<u>247,095</u>
NET CURRENT ASSETS			
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>666,404</u>	<u>384,266</u>
CREDITORS: amounts falling due after more than one year	13	364,955	148,810
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation	15	-	26
		<u>364,955</u>	<u>148,836</u>
NET ASSETS		<u>£301,449</u>	<u>£235,430</u>
CAPITAL AND RESERVES			
Called up share capital	16	1,000	1,000
Profit and loss account	17	300,449	234,430
EQUITY SHAREHOLDERS' FUNDS	17	<u>£301,449</u>	<u>£235,430</u>

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

J Holland

Director

D Hutchinson

Director

27 February 2001

J R Holland (Food Services) Limited

STATEMENT OF CASH FLOWS

for the year ended 29 April 2000

	Notes	2000 £	1999 £
CASH INFLOW FROM OPERATING ACTIVITIES	12a	83,871	144,775
RETURNS ON INVESTMENT AND SERVICING OF FINANCE			
Interest paid		(14,732)	(7,510)
Interest element of finance lease rental payments		(4,291)	(7,309)
		(19,023)	(14,819)
TAXATION			
UK corporation tax paid		(44,589)	(13,795)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Payments to acquire tangible fixed assets		(4,650)	(16,962)
Payments to acquire investments		(172,137)	-
Receipts from sales of intangible fixed assets		-	6,321
		(176,787)	(10,641)
EQUITY DIVIDENDS PAID		-	-
MANAGEMENT OF LIQUID RESOURCES		-	-
FINANCING			
Net movement in long term borrowings		313,932	-
Capital element of finance lease rental payments		(37,367)	(34,108)
INCREASE IN CASH		£120,037	£71,412
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT			
Increase in cash in the year		120,037	71,412
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing		(276,565)	34,108
Change in net debt resulting from cash flows	12b	(156,528)	105,520
New finance lease and hire purchase contracts		-	(12,600)
Movement in debt in the year		(156,528)	92,920
Net debt brought forward	12b	(137,563)	(230,483)
Net debt carried forward	12b	£(294,091)	£(137,563)

J R Holland (Food Services) Limited

NOTES TO THE ABBREVIATED ACCOUNTS at 29 April 2000

1. ACCOUNTING POLICIES

Accounting convention

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

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:

Plant and machinery	-	over 2 to 5 years
Motor vehicles	-	over 3 years

Stocks

Stocks are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value 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 provided using the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

Deferred tax assets are only recognised if recovery without replacement by equivalent debit balances is reasonably certain.

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 interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2. TURNOVER

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties within the United Kingdom.

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

J R Holland (Food Services) Limited

NOTES TO THE ABBREVIATED ACCOUNTS at 29 April 2000

3. OPERATING PROFIT

This is stated after charging:

	<i>52 weeks ended</i> <i>29 April</i> <i>2000</i> <i>£</i>	<i>52 weeks ended</i> <i>1 May</i> <i>1999</i> <i>£</i>
Auditors' remuneration	5,000	5,000
Depreciation of owned fixed assets	28,560	42,646
Depreciation of assets held under finance leases and hire purchase contracts	36,936	36,586
Operating lease rentals - plant and vehicles	96,881	75,887
- land and buildings	63,000	63,000
	<u>£56,767</u>	<u>£60,108</u>

4. DIRECTORS' EMOLUMENTS

	<i>52 weeks ended</i> <i>29 April</i> <i>2000</i> <i>£</i>	<i>52 weeks ended</i> <i>1 May</i> <i>1999</i> <i>£</i>
Emoluments	53,995	57,355
Company contributions to money purchase contributions	2,772	2,753
	<u>£56,767</u>	<u>£60,108</u>

One director was a member of a defined contribution pension scheme.

J R Holland (Food Services) Limited

NOTES TO THE ABBREVIATED ACCOUNTS at 29 April 2000

5. STAFF COSTS

	<i>52 weeks ended 29 April 2000 £</i>	<i>52 weeks ended 1 May 1999 £</i>
Wages and salaries	723,572	688,978
Social security costs	60,303	57,839
Pension costs	3,200	3,553
	<u>£787,075</u>	<u>£750,370</u>

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

	<i>52 weeks ended 29 April 2000 No.</i>	<i>52 weeks ended 1 May 1999 No.</i>
Administration	15	13
Distribution	46	45
	<u>61</u>	<u>58</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	<i>52 weeks ended 29 April 2000 £</i>	<i>52 weeks ended 1 May 1999 £</i>
Bank loans and overdrafts - repayable within five years, by instalments	14,732	7,510
Finance charges payable under finance leases and hire purchase contracts	4,291	7,309
	<u>£19,023</u>	<u>£14,819</u>

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<i>52 weeks ended 29 April 2000 £</i>	<i>52 weeks ended 1 May 1999 £</i>
UK corporation tax	33,000	46,200
Deferred tax (note 17)	(26)	(3,348)
	<u>32,974</u>	<u>42,852</u>
Corporation tax (over)/underprovided in previous years	(1,611)	613
	<u>£31,363</u>	<u>£43,465</u>

J R Holland (Food Services) Limited

NOTES TO THE ABBREVIATED ACCOUNTS at 29 April 2000

8. TANGIBLE FIXED ASSETS

	<i>Plant and machinery</i> £	<i>Motor vehicles</i> £	<i>Total</i> £
Cost:			
At 2 May 1999	145,867	156,873	302,740
Additions	4,650	-	4,650
At 29 April 2000	150,517	156,873	307,390
Depreciation:			
At 2 May 1999	90,701	74,868	165,569
Charge for year	26,928	38,568	65,496
At 29 April 2000	117,629	113,436	231,065
Net Book Value: At 29 April 2000	£32,888	£43,437	£76,325
At 2 May 1999	£55,166	£82,005	£137,171

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

	<i>Net book value</i>		<i>Depreciation charge</i>	
	2000	1999	2000	1999
	£	£	£	£
Plant and machinery	190	2,530	2,340	2,340
Motor vehicles	38,512	73,108	34,596	34,256
	£38,702	£75,638	£36,936	£36,596

J R Holland (Food Services) Limited

NOTES TO THE ABBREVIATED ACCOUNTS at 29 April 2000

9. INVESTMENTS

	<i>Subsidiary undertakings £</i>
Cost:	
At 2 May 1999	-
Additions	172,137
	<hr/>
At 29 April 2000	£172,137
	<hr/>

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>Subsidiary undertakings</i>			
Specialist Food Supplies Limited	Ordinary shares	100%	Distribution of fresh produce

10. STOCKS

	<i>29 April 2000</i>	<i>1 May 1999</i>
Finished goods and goods for resale	£34,890	£38,096
	<hr/>	<hr/>

11. DEBTORS

	<i>29 April 2000 £</i>	<i>1 May 1999 £</i>
Trade debtors	711,635	981,742
Amounts owed by group undertaking	278,469	-
Other debtors	5,957	23,406
Prepayments and accrued income	40,536	32,622
	<hr/>	<hr/>
	£1,036,597	£1,037,770
	<hr/>	<hr/>

J R Holland (Food Services) Limited

NOTES TO THE ABBREVIATED ACCOUNTS

at 29 April 2000

12. NOTES TO THE STATEMENT OF CASHFLOWS

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

	2000 £	1999 £
Operating profit	116,405	181,526
Depreciation of tangible fixed assets	65,496	79,232
Profit on sale of tangible fixed assets	-	(3,719)
Decrease in stocks	3,206	(10,891)
Decrease in operating debtors and prepayments	1,173	(285,307)
Decrease in operating creditors and accruals	(102,409)	183,934
NET CASH INFLOW FROM OPERATING ACTIVITIES	£83,871	£144,775

b) Analysis of changes in net debt

	At 2 May 1999 £	Cash flow £	Other £	At 29 April 2000 £
Cash	48,374	120,037	-	168,411
Finance lease obligations	(66,937)	37,367	-	(29,570)
Long term loans	(119,000)	(313,932)	-	(432,932)
	£(137,563)	£(156,528)	£ -	£(294,091)

13. CREDITORS: amounts falling due within one year

	29 April 2000 £	1 May 1999 £
Current instalment due on bank loan (note 15)	67,978	-
Obligations under finance leases and hire purchase contracts (note 16)	29,570	37,127
Trade creditors	510,932	744,310
Corporation tax	33,000	46,200
Other taxes and social security costs	15,566	14,672
Other creditors	137,500	-
Accruals	27,410	34,836
	£821,956	£877,145

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

J R Holland (Food Services) Limited

NOTES TO THE ABBREVIATED ACCOUNTS at 29 April 2000

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

	29 April 2000	1 May 1999
	£	£
Bank loans (note 15)	250,955	-
Obligations under finance leases and hire purchase contracts (note 15)	-	29,810
Director's loan	114,000	119,000
	<u>£364,955</u>	<u>£148,810</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.

15. BANK LOANS

	29 April 2000	1 May 1999
	£	£
Wholly repayable within five years:		
Bank loans of £350,000	318,932	-
Less: included in creditors: amounts falling due within one year	(67,978)	-
	<u>£250,954</u>	<u>£ -</u>
Amounts repayable:		
In one year or less or on demand	67,978	-
In more than one year but not more than two years	73,935	-
In more than two years but not more than five years	177,019	-
	<u>£318,932</u>	<u>£ -</u>

The bank loan is secured by a fixed and floating charge over the assets of the company.

J R Holland (Food Services) Limited

NOTES TO THE ABBREVIATED ACCOUNTS at 29 April 2000

16. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

	29 April 2000	1 May 1999
	£	£
Amounts payable:		
Within one year	30,690	39,333
Between two and five years	-	31,380
	30,690	70,713
Less: finance charged allocated to future periods	(1,120)	(3,776)
	£29,570	£66,937
Analysed between:		
Amounts falling due within one year (note 13)	29,570	37,127
Amounts falling due after more than one year (note 14)	-	29,810
	£29,570	£66,937

17. DEFERRED TAXATION

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

	29 April 2000	1 May 1999
	£	£
At beginning of period	26	3,374
(Credit)/charge for period	(26)	(3,348)
At end of period	£ -	£26

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

	Provided		Not Provided	
	29 April 2000	1 May 1999	29 April 2000	1 May 1999
Accelerated capital allowances	£ -	£26	£(6,000)	£ -

The deferred tax asset of £6,000 (1999 - £nil) is not provided in the accounts.

J R Holland (Food Services) Limited

NOTES TO THE ABBREVIATED ACCOUNTS at 29 April 2000

18. SHARE CAPITAL

	29 April 2000	1 May 1999
<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 2 May 1998	1,000	111,188	112,188
Profit for the year	-	123,242	123,242
At 1 May 1999	1,000	234,430	235,430
Profit for the period	-	66,019	66,019
At 29 April 2000	£1,000	£300,449	£301,449

20. OTHER FINANCIAL COMMITMENTS

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

	Land and buildings		Other	
	29 April 2000 £	1 May 1999 £	29 April 2000 £	1 May 1999 £
Operating leases which expire:				
Within one year	-	-	-	10,997
Within two to five years	63,000	63,000	83,155	49,270
Over five years	-	-	16,800	32,385
	£63,000	£63,000	£99,955	£92,652

J R Holland (Food Services) Limited

NOTES TO THE ABBREVIATED ACCOUNTS

at 29 April 2000

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 obtained net purchases with a total value of £1,300,996 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 period end was £133,439.

Purchases were also obtained from J R Holland Flowers Limited, a company owned by J Holland, a director, with a total value of £86,047. The balance owing by the company at the period end to J R Holland Flowers Limited was £182.

22. POST BALANCE SHEET EVENTS

On 30 April 2000 the trade and assets of Specialist Food Supplies Limited, a subsidiary undertaking were transferred to the company.