

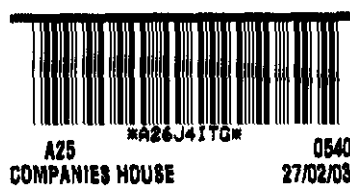
3031294

REGISTRAR

J R HOLLAND (FOOD SERVICES) LIMITED

Report and Abbreviated Accounts

27 April 2002



J R Holland (Food Services) Limited

Registered No. 3031294

DIRECTORS

J Holland
D Hutchinson
J McBride
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

J R Holland (Food Services) Limited

DIRECTORS' REPORT

The directors present their report and abbreviated accounts for the 52 weeks ended 27 April 2002.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £40,460. The directors do not recommend payment of a dividend and the profit is to be transferred to reserves.

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

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 27 April 2002, together with details of their interests in the share capital of the company at that date, and corresponding details at 28 April 2001.

	<i>At 27 April 2002</i>	<i>At 28 April 2001</i>
	<i>Ordinary shares</i>	<i>or subsequent date of appointment</i>
		<i>Ordinary shares</i>
J Holland	1,000	1,000
D Hutchinson	-	-
H Fletcher (appointed 10 May 2001)	-	-
J McBride (appointed 10 May 2001)	-	-

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

26 February 2003

J R Holland (Food Services) Limited

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; and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- 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 27 April 2002 which comprise the Profit and Loss Account, Balance Sheet, Statement of Cash Flows and the related notes 1 to 21, which have been prepared in accordance with applicable United Kingdom law, together with the company's financial statements for the year ended 27 April 2002 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.

A handwritten signature in black ink, appearing to read 'Ernst & Young LLP' followed by a stylized flourish.

Ernst & Young LLP
Registered Auditor
Newcastle upon Tyne

26 February 2003

J R Holland (Food Services) Limited

ABBREVIATED PROFIT AND LOSS ACCOUNT for the year ended 27 April 2002

	<i>Notes</i>	<i>2002</i> £	<i>2001</i> £
GROSS PROFIT		2,881,596	2,696,995
Distribution costs		1,851,569	1,755,058
Administrative expenses		948,833	890,500
		<u>2,800,402</u>	<u>2,645,558</u>
OPERATING PROFIT	3	81,194	51,437
Profit on disposal of fixed assets		62	358
		<u>81,256</u>	<u>51,795</u>
Interest payable and similar charges	6	36,476	36,609
		<u>44,780</u>	<u>15,186</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		44,780	15,186
Tax on profit on ordinary activities	7	4,320	11,682
		<u>£40,460</u>	<u>£3,504</u>
RETAINED PROFIT FOR THE YEAR	19	£40,460	£3,504

There are no recognised gains and losses other than the profit attributable to the members of the company of £40,460 in the year ended 27 April 2002 and of £3,504 in the year ended 28 April 2001.

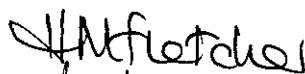
J R Holland (Food Services) Limited

BALANCE SHEET

at 28 April 2002


	Notes	27 April 2002 £	28 April 2001 £
FIXED ASSETS			
Tangible assets	8	169,804	182,223
Investments	9	163,530	172,137
		<u>333,334</u>	<u>354,360</u>
CURRENT ASSETS			
Stocks	10	84,481	98,134
Debtors	11	2,466,168	2,156,496
Cash at bank and in hand		1,057	3,712
		<u>2,551,706</u>	<u>2,258,342</u>
CREDITORS: amounts falling due within one year	13	2,302,985	1,977,692
		<u>248,721</u>	<u>280,650</u>
NET CURRENT ASSETS			
		<u>582,055</u>	<u>635,010</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS: amounts falling due after more than one year	14	236,642	324,450
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation	17	-	5,607
		<u>236,642</u>	<u>330,057</u>
NET ASSETS		<u>£345,413</u>	<u>£304,953</u>
CAPITAL AND RESERVES			
Called up share capital	18	1,000	1,000
Profit and loss account	19	344,413	303,953
EQUITY SHAREHOLDERS' FUNDS	19	<u>£345,413</u>	<u>£304,953</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

26 February 2003

J R Holland (Food Services) Limited

STATEMENT OF CASH FLOWS

for the year ended 27 April 2002

	Notes	2002 £	2001 £
CASH OUTFLOW FROM OPERATING ACTIVITIES	12a	(19,779)	(253,012)
RETURNS ON INVESTMENT AND SERVICING OF FINANCE			
Interest paid		(30,767)	(31,802)
Interest element of finance lease rental payments		(5,709)	(4,807)
		(36,476)	(36,609)
TAXATION			
UK corporation tax paid		(7,038)	(57,058)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Payments to acquire tangible fixed assets		(16,812)	(69,103)
Receipts from sales of intangible fixed assets		3,340	1,210
		(13,472)	(67,893)
ACQUISITIONS AND DISPOSALS			
Net cash acquired on transfer of trade and assets of subsidiary undertaking		-	21,301
EQUITY DIVIDENDS PAID		-	-
MANAGEMENT OF LIQUID RESOURCES		-	-
FINANCING			
Net movement on long term borrowings		(86,663)	(75,424)
Repayment of capital element of finance leases and hire purchase contracts		(18,930)	(21,652)
		(105,593)	(97,076)
DECREASE IN CASH		£(182,358)	£(490,347)
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT			
Decrease in cash in the year		(182,358)	(490,347)
Cash outflow from decrease in loans		86,663	75,424
Repayments of capital element of finance leases and hire purchase contracts		18,930	21,652
Change in net debt resulting from cash flows	12b	(76,765)	(393,271)
Net debt acquired on transfer of trade and assets of subsidiary undertaking	12b	-	(43,173)
New finance lease and hire purchase contracts	12b	(9,748)	(26,041)
Movement in debt in the year		(86,513)	(462,485)
Net debt brought forward	12b	(756,576)	(294,091)
Net debt carried forward	12b	£(843,089)	£(756,576)

NOTES TO THE ABBREVIATED ACCOUNTS

ar 27 April 2002

1. ACCOUNTING POLICIES

Accounting convention

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

In preparing the financial statements for the current year, the company has adopted FRS19 'Deferred Tax'. The adoption of FRS19 has resulted in a change in accounting policy for deferred tax. Deferred tax is recognised on a full provision basis in accordance with the accounting policy described below.

This change in accounting policy has had no impact on the tax charge or deferred tax liability for the current or previous financial year.

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.
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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.

J R Holland (Food Services) Limited

NOTES TO THE ABBREVIATED ACCOUNTS

ar 27 April 2002

1. ACCOUNTING POLICIES (continued)

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.

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.

3. OPERATING PROFIT

This is stated after charging:

	2002	2001
	£	£
Auditors' remuneration	7,500	7,500
Depreciation of owned fixed assets	55,851	48,625
Depreciation of assets held under finance leases and hire purchase contracts	29,228	54,340
Operating lease rentals - plant and vehicles	217,754	208,941
- land and buildings	63,000	63,000
	<u>392,283</u>	<u>332,406</u>

4. DIRECTORS' EMOLUMENTS

	2002	2001
	£	£
Emoluments	114,045	57,446
Company contributions to money purchase contributions	4,450	2,958
	<u>£118,495</u>	<u>£60,404</u>

Three directors were members of a defined contribution pension scheme.

J R Holland (Food Services) Limited

NOTES TO THE ABBREVIATED ACCOUNTS at 27 April 2002

5. STAFF COSTS

	2002	2001
	£	£
Wages and salaries	1,338,803	1,300,184
Social security costs	104,640	103,487
Pension costs	9,061	3,560
	<u>£1,452,504</u>	<u>£1,407,231</u>

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

	2002	2001
	No.	No.
Administration	27	29
Distribution	98	106
	<u>125</u>	<u>135</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2002	2001
	£	£
Bank loans and overdrafts - repayable within five years, by instalments	30,767	31,802
Finance charges payable under finance leases and hire purchase contracts	5,709	4,807
	<u>£36,476</u>	<u>£36,609</u>

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2002	2001
	£	£
UK current corporation tax	12,838	12,000
Deferred tax (note 17)	(5,607)	-
	<u>7,231</u>	<u>12,000</u>
Corporation tax (over)/underprovided in previous years	(2,911)	(318)
	<u>£4,320</u>	<u>£11,682</u>

J R Holland (Food Services) Limited

NOTES TO THE ABBREVIATED ACCOUNTS

at 27 April 2002

7. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

The tax assessed on the profit on ordinary activities for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below:

	2002 £
Profit on ordinary activities before tax	44,780
Profit on ordinary activities multiplied by standard rate of corporation tax of 20%	8,956
Disallowed expenditure	3,914
Other differences	(32)
	<u>£12,838</u>

8. TANGIBLE FIXED ASSETS

	<i>Leasehold property</i> £	<i>Plant and machinery</i> £	<i>Motor vehicles</i> £	<i>Total</i> £
Cost:				
At 28 April 2001	11,376	266,488	226,422	504,286
Additions	-	56,287	19,651	75,938
Disposals	-	-	(25,045)	(25,045)
At 27 April 2002	<u>11,376</u>	<u>322,775</u>	<u>221,028</u>	<u>555,179</u>
Depreciation:				
At 28 April 2001	4,703	160,151	157,209	322,063
Charge for year	5,693	45,922	33,464	85,079
Disposals	-	-	(21,767)	(21,767)
At 27 April 2002	<u>10,396</u>	<u>206,073</u>	<u>168,906</u>	<u>385,375</u>
Net Book Value:				
At 27 April 2002	<u>£980</u>	<u>£116,702</u>	<u>£52,122</u>	<u>£169,804</u>
At 28 April 2001	<u>£6,673</u>	<u>£106,337</u>	<u>£69,213</u>	<u>£182,223</u>

At 27 April 2002, the cost of plant and machinery above includes £51,941 relating to assets under construction which are not depreciated.

J R Holland (Food Services) Limited

NOTES TO THE ABBREVIATED ACCOUNTS

at 27 April 2002

8. TANGIBLE FIXED ASSETS (continued)

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

	Net book value		Depreciation charge	
	2002	2001	2002	2001
	£	£	£	£
Plant and machinery	2,739	10,203	2,686	12,443
Motor vehicles	44,796	57,538	26,542	41,897
	<u>£47,535</u>	<u>£67,741</u>	<u>£29,228</u>	<u>£54,340</u>

9. INVESTMENTS

	Subsidiary undertakings £
Cost:	
At 27 April 2002 and 28 April 2001	172,137
Provisions:	
At 28 April 2001	-
Charge for year	8,607
At 27 April 2002	8,607
Net book value	
At 27 April 2002	£163,530
At 28 April 2001	£172,137

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:

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

J R Holland (Food Services) Limited

NOTES TO THE ABBREVIATED ACCOUNTS

as at 27 April 2002

10. STOCKS

	2002	2001
Finished goods and goods for resale	£84,481	£98,134

11. DEBTORS

	2002 £	2001 £
Trade debtors	2,328,894	2,021,858
Other debtors	54,948	33,921
Prepayments and accrued income	82,326	100,717
	£2,466,168	£2,156,496

12. NOTES TO THE STATEMENT OF CASHFLOWS

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

	2002 £	2001 £
Operating profit	81,194	51,437
Depreciation of tangible fixed assets	85,079	102,965
Provision against fixed asset investments	8,607	-
Decrease/(increase) in stocks	13,653	(29,170)
(Increase) in operating debtors and prepayments	(309,672)	(706,708)
Increase in operating creditors and accruals	101,360	328,464
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	£(19,779)	£(253,012)

b) Analysis of changes in net debt

	At 28 April 2001 £	Cash flow £	Other £	At 27 April 2002 £
Cash	3,712	(2,655)	-	1,057
Bank overdraft	(325,648)	(179,703)	-	(505,351)
	(321,936)	(182,358)	-	(504,294)
Finance lease/hire purchase obligations	(55,432)	18,930	(9,748)	(46,250)
Long term loans	(379,208)	86,663	-	(292,545)
	£(756,576)	£(76,765)	£(9,748)	£(843,089)

J R Holland (Food Services) Limited

NOTES TO THE ABBREVIATED ACCOUNTS
ar 27 April 2002

J R Holland (Food Services) Limited

NOTES TO THE ABBREVIATED ACCOUNTS

as at 27 April 2002

13. CREDITORS: amounts falling due within one year

	2002	2001
	£	£
Current instalment due on bank loan (note 15)	78,550	87,270
Bank overdraft	505,351	325,648
Obligations under finance leases and hire purchase contracts (note 16)	23,603	22,920
Trade creditors	1,491,831	1,339,280
Amounts owed to group undertaking	65,554	65,554
Corporation tax	9,841	7,124
Other taxes and social security costs	17,755	24,937
Other creditors	29,798	48,428
Accruals	80,702	56,531
	<u>£2,302,985</u>	<u>£1,977,692</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

	27 April 2002	28 April 2001
	£	£
Bank loans (note 15)	99,995	177,938
Obligations under finance leases and hire purchase contracts (note 15)	22,647	32,512
Director's loan	114,000	114,000
	<u>£236,642</u>	<u>£324,450</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

	27 April 2002	28 April 2001
	£	£
Wholly repayable within five years:		
Bank loans of £350,000	178,545	265,208
Less: included in creditors: amounts falling due within one year (note 13)	(78,550)	(87,270)
	<u>£99,995</u>	<u>£177,938</u>
Amounts repayable:		
In one year or less or on demand	78,550	87,270
In more than one year but not more than two years	84,287	78,550
In more than two years but not more than five years	15,708	99,388
	<u>£178,545</u>	<u>£265,208</u>

J R Holland (Food Services) Limited

NOTES TO THE ABBREVIATED ACCOUNTS

ar 27 April 2002

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

16. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

	2002	2001
	£	£
Amounts payable:		
Within one year	25,599	25,581
Between two and five years	25,761	35,641
	51,360	61,222
Less: finance charged allocated to future periods	(5,110)	(5,790)
	£46,250	£55,432
Analysed between:		
Amounts falling due within one year (note 13)	23,603	22,920
Amounts falling due after more than one year (note 14)	22,647	32,512
	£46,250	£55,432

17. DEFERRED TAXATION

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

	2002	2001
	£	£
At beginning of period	5,607	-
Arising on the transfer of trade and assets of subsidiary undertaking	-	5,607
Credit for period	(5,607)	-
At end of period	£ -	£5,607

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

	2002	Provided 2001	Not Provided 2002	Not Provided 2001
Accelerated capital allowances	-	5,607	(4,529)	-
Short term timing differences	-	-	(1,140)	-
Deferred tax liability/(asset)	£ -	£5,607	£(5,669)	£ -

J R Holland (Food Services) Limited

NOTES TO THE ABBREVIATED ACCOUNTS

at 27 April 2002

18. SHARE CAPITAL

	27 April 2002	28 April 2001
<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 29 April 2000	1,000	300,449	301,449
Profit for the year	-	3,504	3,504
At 28 April 2001	1,000	303,953	304,953
Profit for the year	-	40,460	40,460
At 27 April 2002	£1,000	£344,413	£345,413

20. OTHER FINANCIAL COMMITMENTS

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

	Land and buildings		Other	
	27 April 2002	28 April 2001	27 April 2002	28 April 2001
	£	£	£	£
Operating leases which expire:				
Within one year	-	-	44,465	-
Within two to five years	63,000	63,000	167,169	159,479
Over five years	-	-	-	43,428
	£63,000	£63,000	£216,644	£202,907

NOTES TO THE ABBREVIATED ACCOUNTS

ar 27 April 2002

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 £2,771,383 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, included within trade creditors (note 13), was £450,771.

Purchases were also obtained from J R Holland Flowers Limited, a company owned by J Holland, a director, with a total value of £33. The balance owing to the company at the period end, included within trade debtors (note 11), by J R Holland Flowers Limited was £41.

Purchases were also obtained from H2H Produce Limited, a company owned by J Holland, a director, with a total value of £266,354. The balance owing by the company at the period end to H2H Produce Limited, included within trade creditors (note 13), was £119,784.