

E H BOOTH & CO LIMITED
DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED
1 APRIL 2006



E H BOOTH & CO LIMITED

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E H BOOTH & CO LIMITED

COMPANY DETAILS

Directors

H M Booth, MBE
E J Booth DL (Chairman)
S K Booth
D G Booth
J A P Vandermeer

Secretary

J A P Vandermeer

Registered office

Central Office
Longridge Road
Ribbleson
Preston
PR2 5BX

Company number

49933

Auditors

Moore and Smalley LLP
Preston

Bankers

National Westminster Bank
Manchester

Solicitors

Napthens
Preston

E H BOOTH & CO LIMITED

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at the Preston Marriott Hotel, Broughton on Wednesday, 13 September 2006 at 6.00 o'clock in the evening.

AGENDA

- 1 To read and approve the minutes of the last Annual General Meeting.
- 2 To receive and approve the directors' report and accounts for the year ended 1 April 2006.
- 3 To confirm the payment of the interim dividend paid on 31 March 2006.
- 4 To declare a final dividend.
- 5 To re-elect Mr D G Booth as a director of the company.
- 6 To re-elect the auditors and authorise the directors to fix their remuneration.
- 7 To fix the fair value of the shares for the ensuing year.
- 8 To transact any other ordinary business.

By order of the board on 3 August 2006

J A P Vandermeer - Secretary

Central Office
Longridge Road
Ribbleton
Preston
PR2 5BX

A member entitled to attend and vote at this meeting may appoint a proxy whether a member of the Company or not.

E H BOOTH & CO LIMITED

CHAIRMAN'S REPORT

Retail sales over the financial year 2005/06 remained generally dull and against this backdrop the Company achieved sales of £215m, an increase of 6.8%. The like for like uplift at 2% is modest but this is within the context of there being no Easter trading period in this year, compared with 2 in the previous year. Our profit before tax at £4.6m is again modest. There has, however, been a great deal of work carried out to further refine our product ranges and achieve consistent availability of product throughout the Company. In the latter part of the year work began to analyse working practices at stores with a view to sharing best practice and taking a more scientific approach to human resource deployment. The work carried out so far has already produced good results in the present financial year, and we believe that further advances will be made in this area. High availability of fresh food brings with it the challenge of ensuring that waste is kept to a minimum. Again the Company is developing modern reporting procedures, upon which management can make informed decisions as to how fresh foods are ranged and ordered.

Store developments

In September 2005 we opened our new replacement store at Chorley, and this has been welcomed by our many loyal Booths customers in the town. In addition it has started to attract new customers from the surrounding district and I dare say a fair number from our large competitors. The performance so far has been very good indeed with sales ahead of our projections.

At Keswick we undertook a wholesale transformation of the shop floor and the results have been impressive with sales growth in the year to date of 18%.

Branding

Our project to roll out the new Booths "suit of clothes" is now well underway and has been welcomed by both customers and employees alike. Part of this project has been to re-evaluate the quality of all the Booths own label products and of course to re-design the labels. The work carried out so far has been very impressive and I am sure that our detailed approach to own label development will pay dividends in the future.

Web services

The growth in sales at everywine.co.uk, whilst good, reduced considerably during the year, partly effected by a reduction in sales growth of booths-wines.co.uk. We are just about to embark on a project to completely revise the Booths website. The site will in future be transactional and house the activities of booths-wines.co.uk. In addition it is our intention to consider marketing an increased range of products and, of course, there will be a "click through" to everywine.co.uk. Everywine in isolation continues to grow strongly and there is still plenty of development work to do in order to further refine this relatively new business idea.

Defined benefit pension scheme

Under Financial Reporting Standard 17 (FRS 17), we are obliged to recognise the deficit in our pension scheme and this impacts fully on the balance sheet. The company continues to work proactively with the pension scheme trustees to ensure that funding levels are monitored rigorously in order to procure best value for scheme members.

E H BOOTH & CO LIMITED

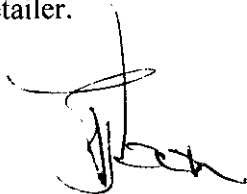
CHAIRMAN'S REPORT (CONTINUED)

Financial year 2006/07

Sales for the present financial year have started very strongly, aided by some fine weather and the World Cup football competition. We have some exciting sales campaigns coming forward for the remainder of the year and I am confident that our sales growth, which is presently increasing at 10% year to date will be maintained at a high level. Our employment costs are also being well controlled with performance year to date ahead of projections. There is, however, further progress to be made with wastage, but there are good signs that improvements are being made in this area of the business.

We have recently started work on a new store at Lytham, which should open in the mid-summer of 2007. There continues to be a great deal of activity to identify opportunities to replace older stores and also to find new trading locations further afield. Such growth, however, can only be fuelled by a sustained improvement in our cost base and this is our primary challenge over the next 6 months. For 8 years we have been operating a customer comment scheme, which delivers vital information to us in support of the development of our overall offer. From the reports received recently it is evident that Booths is climbing the rankings in customers' minds, and it is our intention to build up our fitness levels to cope with their increasing interest.

Taking the whole picture into account, Booths is in very good shape with continued investment in our store fabric and operating methodology. Once again, and on behalf of the Directors I should like to thank all our colleagues throughout the business for working with us to sustain Booths as a unique and attractive grocery retailer.



E J Booth - Chairman

E H BOOTH & CO LIMITED

REPORT OF THE DIRECTORS

The directors have pleasure in submitting their one hundred and ninth annual report, together with the audited financial statements for the Group for the year ended 1 April 2006.

Principal activity

The Group's principal activity during the year was the retailing of food and associated products.

Results and dividends

The group trading profit for the year, after taxation, amount to £3.1m (2005 : £5.5m).

Particulars of dividends paid are detailed in note 8 to the accounts.

Review of the business

A review of the Group's performance during the year and an indication of future developments is contained in the chairman's report on pages 5 and 6.

Fixed assets

As part of the ongoing review of depreciation rates the directors have reviewed the economic life of the fixtures and fittings of the retail stores and have adopted rates to write the cost of these assets off over these periods.

As disclosed in note 10, investment properties have been revalued at the end of the accounting period in accordance with the requirements of Statement of Standard Accounting Practice 19. All other land and buildings are stated at cost which, in the opinion of the directors, is less than market value.

Charitable donations

Charitable donations of £5,991 were made during the year.

Political donations

The Group made no political donations during the year.

Employment policies

Customer service is an important priority for the Group and training programmes and surveys seek to ensure that employees understand the Group's objectives and work to achieve them.

Communication with staff is considered an area of great importance and employees are kept informed of the Group's activities by way of staff newsletters and magazines.

The Group promotes the involvement of its employees in the running of its business by encouraging employee share ownership.

The Group is committed to ensuring that people with disabilities are encouraged and supported to apply for employment with the Group and to achieve progress through the Group. They will have equality of opportunity in respect of recruitment, selection, terms and conditions, training and promotion, so far as is justifiable. Every reasonable effort will be made to enable disabled persons to be retained in the employment of the Group.

E H BOOTH & CO LIMITED

REPORT OF THE DIRECTORS

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of changes in debt, market prices, credit risk, liquidity risk and interest rate risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs. The company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

Price risk

The company is exposed to commodity price risk as a result of its operations. However, given the size of the company's operations, the costs of managing exposure to commodity price risk exceed any potential benefits. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature. The company has no exposure to equity securities price risk as it holds no listed or other equity investments.

Liquidity risk

The company actively maintains a mixture of long-term and short-term debt finance that is designed to ensure the company has sufficient available funds for operations and planned expansions.

Payment of suppliers

The Group's policy is to agree payment terms upon commencing business with suppliers and then providing the supplier fulfills their obligations, the Group will pay promptly in accordance with these terms.

Directors

The names of the directors are shown on page 3.

Directors' interests in shares

The directors who served during the year had the following interests in the shares of the Company:-

	Ordinary Shares of £1 each	
	1 April 2006	2 April 2005
Beneficial		
H M Booth	158,117	158,117
E J Booth	25,218	25,218
S K Booth	23,459	23,459
D G Booth	21,835	21,835
J A P Vandermeer	3,118	2,130
As trustee		
H M Booth and S K Booth	25,028	25,028
H M Booth and E J Booth	41,363	41,363
D G Booth	174,798	173,228

E H BOOTH & CO LIMITED

REPORT OF THE DIRECTORS

	Preference Shares of £1 each	
	1 April 2006	2 April 2005
Beneficial		
H M Booth	711	711
As Trustee		
H M Booth and S K Booth	500	500
H M Booth and E J Booth	2,333	2,333
D G Booth	1,744	1,744

Directors' responsibilities for the financial statements

The directors are responsible for preparing the accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 Group and of the profit or loss of the Group 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;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Company status

The Company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

E H BOOTH & CO LIMITED

REPORT OF THE DIRECTORS

Auditors

Following the conversion of Moore and Smalley to a Limited Liability partnership on 1 April 2006, Moore and Smalley have resigned and the directors have appointed Moore and Smalley LLP as auditors.

A resolution to re-appoint Moore and Smalley LLP as auditors for the ensuing year will be proposed at the Annual General Meeting in accordance with section 385 of the Companies Act 1985.

This report was approved by the board on 3 August 2006 and signed on its behalf

E J Booth
Chairman
Central Office
Longridge Road
Ribbleton
Preston
PR2 5BX



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

E H BOOTH & CO LIMITED

We have audited the financial statements of E H Booth & Co Limited for the year ended 1 April 2006 which are on pages 12 to 35. These financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, and the accounting policies set out on pages 17 and 18.

This report is made solely to the Group's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Group'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 Group and the Group's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the Group's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if the Group has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the Group is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the information in the accounts.

Opinion

In our opinion the accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's and the Group's affairs as at 1 April 2006 and of the profit and cash flows of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

The information given in the Directors' Report is consistent with the accounts for the year ended 1 April 2006.

Moore and Smalley LLP

Moore and Smalley LLP
Chartered Accountants
& Registered Auditors
Preston
14 August 2006

E H BOOTH & CO LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 1 APRIL 2006

	Note	2006 £'000	2005 £'000
Turnover		215,454	201,749
Cost of sales		<u>(195,920)</u>	<u>(181,105)</u>
Gross profit		19,534	20,644
Administrative expenses		<u>(13,427)</u>	<u>(12,752)</u>
		6,107	7,892
Other operating income	1	<u>572</u>	<u>530</u>
Operating profit	2	6,679	8,422
Interest payable and similar charges	3	<u>(2,690)</u>	<u>(2,562)</u>
Profit on ordinary activities before taxation and exceptional item		3,989	5,860
Exceptional item	6	<u>649</u>	<u>1,504</u>
Profit on ordinary activities before taxation		4,638	7,364
Tax on profit on ordinary activities	7	<u>(1,540)</u>	<u>(1,857)</u>
Profit on ordinary activities after taxation	20	<u>3,098</u>	<u>5,507</u>

Continuing operations

None of the Group's activities were acquired or discontinued during the above two financial years.

E H BOOTH & CO LIMITED

STATEMENT OF GROUP TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 1 APRIL 2006

	2006	2005
	£'000	£'000
Profit for financial year	3,098	5,507
Unrealised surplus/(deficit) on revaluation of investment properties	1,384	(46)
Actuarial loss	(1,941)	(3,976)
Deferred tax on actuarial loss	<u>582</u>	<u>1,193</u>
Total recognised gains and losses for the year	<u>3,123</u>	<u>2,678</u>
Prior year adjustment (FRS 17 – Retirement Benefits)	(8,726)	
Prior year adjustment (FRS 21 – Dividends)	<u>201</u>	
	<u>(5,402)</u>	

E H BOOTH & CO LIMITED

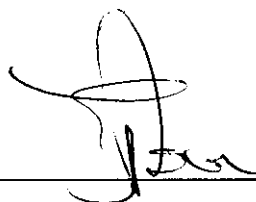
CONSOLIDATED BALANCE SHEET

AS AT 1 APRIL 2006

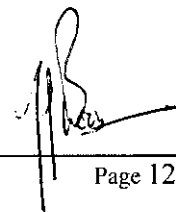
	Note	2006	2005
Assets employed		£'000	£'000
Fixed assets			
Intangible assets	9	4,069	4,317
Tangible assets	10	<u>101,675</u>	<u>91,926</u>
		105,744	96,243
Current assets			
Stocks	14	9,440	8,452
Debtors	15	<u>2,352</u>	<u>2,499</u>
		11,792	10,951
Creditors – amounts falling due within one year	16	<u>(31,794)</u>	<u>(28,258)</u>
Net current liabilities		<u>(20,002)</u>	<u>(17,307)</u>
Total assets less current liabilities		85,742	78,936
Creditors – Amounts falling due after more than one year	17	<u>(36,072)</u>	<u>(33,338)</u>
		49,670	45,598
Provision for liabilities and charges			
Deferred taxation	18	<u>(2,908)</u>	<u>(2,465)</u>
Net assets excluding pension liability		46,762	43,133
Pension liability	24	<u>(9,483)</u>	<u>(8,726)</u>
		37,279	34,407
Capital and reserves			
Called up share capital	19	1,256	1,256
General reserve	20	28,800	27,300
Revaluation reserve	20	7,149	5,765
Profit and loss account	20	<u>74</u>	<u>86</u>
Shareholders' funds	20	<u>37,279</u>	<u>34,407</u>

These accounts were approved and authorised for issue by the board on 3 August 2006

E J Booth – Director



H M Booth - Director



E H BOOTH & CO LIMITED

CONSOLIDATED CASHFLOW STATEMENT

FOR THE YEAR ENDED 1 APRIL 2006

	Note	2006 £'000	2005 £'000
Net cash inflow from operating activities	21	10,971	10,929
Returns on investments and servicing of finance			
Interest paid		(2,452)	(2,344)
Interest element of finance lease payments		<u>(98)</u>	<u>(38)</u>
Net cash outflow from returns on investments and servicing of finance		(2,550)	(2,382)
Taxation			
Corporation tax paid		(927)	(1,895)
Capital expenditure and financial investment			
Payments made to acquire tangible fixed assets		(13,723)	(13,596)
Receipts from sale of tangible fixed assets		<u>663</u>	<u>1,835</u>
Net cash outflow from capital expenditure and financial investment		<u>(13,060)</u>	<u>(11,761)</u>
		(5,566)	(5,109)
Equity dividends paid		<u>(251)</u>	<u>(241)</u>
Net cash (outflow) before financing		(5,817)	(5,350)
Financing			
Loan advances	22	5,750	6,000
Finance leases – advances	22	3,139	1,310
Finance leases – repayments	22	(492)	(175)
Loan repayments	22	<u>(4,392)</u>	<u>(3,907)</u>
(Decrease) in cash	22	<u>(1,812)</u>	<u>(2,122)</u>

E H BOOTH & CO LIMITED

COMPANY BALANCE SHEET

AS AT 1 APRIL 2006

	Note	2006	2005
		£'000	£'000
Assets employed			
Fixed assets			
Intangible assets	9	4,069	4,317
Tangible assets	11	94,546	83,926
Investments	12	-	-
		<u>98,615</u>	<u>88,243</u>
Current assets			
Stocks	14	9,440	8,452
Debtors	15	<u>9,383</u>	<u>10,284</u>
		18,823	18,736
Creditors – amounts falling due within one year	16	<u>(31,758)</u>	<u>(28,301)</u>
Net current liabilities		<u>(12,935)</u>	<u>(9,565)</u>
Total assets less current liabilities		85,680	78,678
Creditors – Amounts falling due after more than one year	17	<u>(36,072)</u>	<u>(33,338)</u>
		49,608	45,340
Provision for liabilities and charges			
Deferred taxation	18	<u>(2,843)</u>	<u>(2,465)</u>
Net assets excluding pension liability		46,765	42,875
Pension liability	24	<u>(9,483)</u>	<u>(8,726)</u>
		<u>37,282</u>	<u>34,149</u>
Capital and reserves			
Called up share capital	20	1,256	1,256
General reserve	20	28,800	27,300
Revaluation reserve	20	2,343	-
Profit and loss account	20	<u>4,883</u>	<u>5,593</u>
Shareholders' funds	20	<u>37,282</u>	<u>34,149</u>

These accounts were approved and authorised for issue by the board on 3 August 2006

E J Booth – Director



H M Booth - Director



E H BOOTH & CO LIMITED

ACCOUNTING POLICIES

FOR THE YEAR ENDED 1 APRIL 2006

Accounting convention and basis of preparation

The accounts have been prepared under the historical cost convention, modified by the revaluation of investment properties, and comply with all applicable accounting and financial reporting standards.

Any changes in accounting policy resulting from the implementation of new accounting standards, which have a material effect on the accounts, are disclosed separately within the relevant note to the accounts.

Basis of consolidation

The consolidated accounts include the accounts of E H Booth & Co Limited and its subsidiary, Lakenmoor Limited.

Turnover

Turnover represents external sales of goods during the period net of value added tax and is based on a 52 week accounting period (2005 : 52 weeks).

Cost of sales

Cost of sales represents all costs incurred to the point of sale.

Goodwill

Acquisitions are capitalised and amortised over periods not exceeding 20 years in line with the directors' view of their useful economic life.

Fixed assets, depreciation and amortisation

Fixed assets are stated at cost less accumulated depreciation other than land which is not depreciated. Depreciation is provided at rates which reduce the cost of assets to their estimated residual value at the end of their useful economic lives as follows:-

Freehold and long leasehold buildings	2% on cost
Plant and fixtures	4% – 33 $\frac{1}{3}$ % on cost and 20% on written down value
Assets held under finance leases	Evenly over the period of the lease or if shorter over the useful economic life
Amortisation of goodwill	5% on cost

Investment property is revalued each year.

Investments

Investments in subsidiaries are stated at cost.

E H BOOTH & CO LIMITED

ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 1 APRIL 2006

Leased assets

Rentals due under operating leases are charged to the profit and loss account in the year that the cost accrues. The future commitments relating to these leases are based on the minimum amounts payable.

Where assets are acquired by finance lease or hire purchase contract, the amount representing the outright purchase price of such assets is included in tangible fixed assets. The capital element of future rentals is treated as a liability and the interest element is charged to the profit and loss account over the period of the lease or contract.

Pensions

The Group operates a pension scheme based on final pensionable pay. Contributions to the scheme are charged to the profit and loss account as they arise.

The Group also operates a contracted in money purchase scheme. Contributions to this scheme are charged to the profit and loss account as they arise.

Stock

Stock is valued at the lower of cost and net realisable value.

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 exceptions:

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be sufficient taxable profits from which the future reversal of the underlying timing differences can be deducted;
- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax 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.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangements, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company or group after deducting all of its liabilities.

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 1 APRIL 2006

1	Other operating income	2006 £'000	2005 £'000
	Net rental income	572	530
2	Operating profit		
	Operating profit before interest and exceptional item is stated after charging or crediting:		
	Depreciation of tangible fixed assets held under finance leases	579	196
	Depreciation on owned tangible fixed assets	4,470	4,910
	Amortisation of goodwill	248	248
	Loss on sale of tangible fixed assets	296	42
	Auditors' remuneration:		
	Audit services	25	24
	Non-audit services	54	44
	Operating lease rentals of:		
	Land and buildings	685	435
	Plant and machinery	15	24
3	Interest payable and similar charges		
	On bank loans and overdrafts wholly repayable within five years	322	263
	On bank loans repayable over more than five years	2,113	2,106
	Finance lease charges	62	38
	Net finance charge on pension scheme assets and liabilities	193	155
		2,690	2,562
4	Directors' remuneration		
	Total directors' emoluments (including benefits in kind)	918	897
	Highest Paid Director – emoluments	240	220

As at 1 April 2006 the Highest Paid Director had accrued pension rights of £96,125 (2005 : £79,014).

In addition, three of the other directors have retirement benefits accrued under a defined benefit pension scheme.

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 1 APRIL 2006

5	Employees	2006 £'000	2005 £'000
	The average weekly number of employees was 2,903 (2005 : 2,780).		
	Staff costs during the year amounted to:-		
	Wages and salaries	28,904	27,162
	Social security costs	1,782	1,750
	Other pension costs	1,363	1,359
		32,049	30,271
	Breakdown of the average number of employees:-	No.	No.
	Management	5	5
	Selling and distribution	2,829	2,705
	Administration	69	70
		2,903	2,780
6	Exceptional item	2006 £'000	2005 £'000
	Profit on sale of land and buildings	649	1,504
7	Tax on profits on ordinary activities		
	(a) Analysis of tax charge in year		
	Current year		
	UK corporation tax at 30% (2005 : 30%)	946	1,563
	Deferred tax charge	381	141
	Deferred tax charge in respect of pension scheme	258	285
		1,585	1,989
	Prior periods		
	UK corporation tax	(108)	(27)
	Deferred tax	63	(105)
		1,540	1,857

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 1 APRIL 2006

7 Tax on profits on ordinary activities (continued)

(b) Factors affecting tax charge for the year	2006 £'000	2005 £'000
The tax payable for the year is higher than the standard rate of corporation tax. The differences are explained below:		
Profit on ordinary activities before taxation	4,638	7,364
UK corporation tax at the standard rate 30% (2005 : 30%)	1,391	2,209
Depreciation for the year in excess of capital allowances	14	104
Expenses not deductible for tax purposes	9	25
Rollover relief on profit on disposal of property	-	(463)
Accounting profit in excess of capital gain	(132)	-
Timing differences relating to movements on pension liability	(258)	(285)
Other timing differences	(62)	-
Marginal relief	(16)	(27)
	946	1,563

(c) Factors that may affect future tax charges

No provision has been made for deferred tax on gains recognised on revaluing investment property to its market value. The total amount unprovided for is £1.5m.

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 1 APRIL 2006

8	Dividends	2006 £'000	2005 £'000
	Year ended 2 April 2005		
	Final paid at 16 pence per share (15.25 pence)	201	191
	Year ended 1 April 2006		
	Interim paid at 4 pence per share (4 pence)	<u>50</u>	<u>50</u>
		<u>251</u>	<u>241</u>
9	Intangible Fixed Assets		Goodwill £'000
	Group and Company		
	At 2 April 2005 and 1 April 2006		<u>4,953</u>
	Amortisation		
	At 2 April 2005		636
	Charge for the year		<u>248</u>
	At 1 April 2006		<u>884</u>
	Net book value		
	At 1 April 2006		<u>4,069</u>
	At 2 April 2005		<u>4,317</u>

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 1 APRIL 2006

10	Tangible fixed assets			Assets held under finance leases	
Group	Land and buildings £'000	Investment properties £'000	Fixtures plant and vehicles £'000	£'000	Total £'000
Cost or valuation					
At 2 April 2005	67,507	8,000	61,088	1,976	138,571
Additions	3,933	-	6,650	3,140	13,723
Disposals	(23)	-	(1,135)	-	(1,158)
Transfers	(121)	121	-	-	-
Revaluation	-	1,384	-	-	1,384
At 1 April 2006	71,296	9,505	66,603	5,116	152,520
Depreciation					
At 2 April 2005	8,414	-	37,839	392	46,645
Charge for the year	871	-	3,599	579	5,049
On disposals	(17)	-	(832)	-	(849)
At 1 April 2006	9,268	-	40,606	971	50,845
Net book value					
At 1 April 2006	62,028	9,505	25,997	4,145	101,675
At 2 April 2005	59,093	8,000	23,249	1,584	91,926

Net book value of land and buildings and investment properties comprises:-

	2006 £'000	2005 £'000
Freehold	56,202	51,674
Long leasehold (more than 50 years unexpired)	15,331	15,419
	71,533	67,093
Non-depreciating assets included in land and buildings:-		
Freehold	24,954	24,683
Long leasehold (more than 50 years unexpired)	6,655	6,655
	31,609	31,338

Contracts have been exchanged to dispose of certain investment properties subject to obtaining planning consent. The valuation adopted in the accounts at 1 April 2006 is equal to the consideration in the contract. Other investment property has been revalued at 1 April 2006 by Mr R D Pinkus FRICS of Robert Pinkus and Co., Chartered Surveyors.

On the historical cost basis the net book value of investment properties is £2,356,000 (2005 : £2,235,000)

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 1 APRIL 2006

11 Tangible fixed assets

Company	Land and buildings £'000	Investment properties £'000	Fixtures plant and vehicles £'000	Assets held under finance leases £'000	Total £'000
Cost or valuation					
At 2 April 2005	67,224	-	60,811	1,976	130,011
Additions	3,836	-	6,650	3,140	13,626
Disposals	(24)	-	(1,135)	-	(1,159)
Transfers	(121)	121	-	-	-
Revaluation	-	2,343	-	-	2,343
At 1 April 2006	70,915	2,464	66,326	5,116	144,821
Depreciation					
At 2 April 2005	8,030	-	37,663	392	46,085
Charge for the year	871	-	3,589	579	5,039
On disposals	(17)	-	(832)	-	(849)
At 1 April 2006	8,884	-	40,420	971	50,275
Net book value					
At 1 April 2006	62,031	2,464	25,906	4,145	94,546
At 2 April 2005	59,194	-	23,148	1,584	83,926

Net book value of land and buildings and investment properties comprises:-

	2006 £'000	2005 £'000
Freehold	49,164	43,775
Long leasehold (more than 50 years unexpired)	15,331	15,419
	64,495	59,194
Non-depreciating assets included in land and buildings:-		
Freehold	17,915	16,784
Long leasehold (more than 50 years unexpired)	6,655	6,655
	24,570	23,439

On the historical cost basis, the net book value of investment properties is £121,000 (2005 : £nil).

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 1 APRIL 2006

12 Investments

Company

The company owns 100% of the issued share capital of Lakenmoor Limited, which is incorporated in England and operates as a property investment company. The profit after tax for the year ended 1 April 2006 was £70,152. The company had negative capital and reserves of £629,230 at 1 April 2006.

13 Capital commitments

Group and Company
2006 2005
£'000 £'000

In addition to the liabilities incorporated in the accounts, the Group had the following contracted commitments

- 4,862

14 Stocks

Group and Company
2006 2005
£'000 £'000

Goods for resale

9,440 8,452

15 Debtors

Group

Company

2006 2005
£'000 £'000

2006 2005
£'000 £'000

Other debtors

33 1,068

1 1,048

Prepayments and accrued income

2,319 1,431

2,319 1,431

Amounts owed by Group

Undertaking

- -

7,063 7,805

2,352 2,499

9,383 10,284

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 1 APRIL 2006

16	Creditors – amounts falling due within one year	Group		Company	
		2006	2005	2006	2005
		£'000	£'000	£'000	£'000
	Bank overdraft	9,002	7,190	9,007	7,270
	Bank loans	4,858	4,192	4,858	4,192
	Trade creditors	13,589	12,194	13,589	12,194
	Current corporation tax	305	393	279	366
	Other taxes and social security costs	609	1,035	598	1,027
	Finance leases	956	351	956	351
	Accruals	2,463	2,891	2,459	2,889
	Preference shares	12	12	12	12
		31,794	28,258	31,758	28,301

17	Creditors – amounts falling due after more than one year	Group and Company	
		2006	2005
		£'000	£'000
	Bank loans repayable by instalments:		
	Repayable within two years	4,916	4,203
	Repayable between two and five years	14,377	12,623
	Repayable after five years	13,483	15,258
		32,776	32,084
	Finance leases repayable by instalments:		
	Repayable within two years	997	357
	Repayable between two and five years	2,299	897
		36,072	33,338

The loans repayable over more than five years are repayable in monthly instalments over ten years.

The remaining instalments are payable at a rate of £331,272 a month.

Bank loans are secured by legal mortgage over certain freehold properties and bear interest at 1% over National Westminster Bank base rate.

Finance lease obligations are secured on the assets to which they relate.

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 1 APRIL 2006

18 Provision for liabilities and charges

Deferred taxation	Group		Company	
	2006 £'000	2005 £'000	2006 £'000	2005 £'000
Balance brought forward	2,465	2,429	2,465	2,429
Movement in the year	443	36	378	36
Balance carried forward	2,908	2,465	2,843	2,465
The deferred taxation provision represents:				
Accelerated capital allowances	2,711	2,330	2,646	2,330
Other timing differences	197	135	197	135
	2,908	2,465	2,843	2,465

19 Share Capital

	Group and Company			
	Authorised		Allotted and fully paid	
	2006 £'000	2005 £'000	2006 £'000	2005 £'000
Equity:-				
Ordinary shares of £1 each	1,300	1,300	1,256	1,256
Non-equity:-				
3½% Net cumulative preference shares of £1 each	12	12	12	12

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 1 APRIL 2006

20 Reconciliation of shareholders' funds and movement in reserves

Group	Note	Share capital £'000	General reserve £'000	Revaluation reserve £'000	Profit & loss account £'000	Total £'000
At 3 April 2004		1,268	31,300	5,811	20	38,399
Profit for the year		-	-	(46)	4,842	4,796
Dividends		-	-	-	(251)	(251)
Transfer		-	4,400	-	(4,400)	-
At 2 April 2005		1,268	35,700	5,765	211	42,944
Prior year adjustments	27	(12)	-	-	(8,525)	(8,537)
Transfer		-	(8,400)	-	8,400	-
At 2 April 2005 as restated		1,256	27,300	5,765	86	34,407
Profit for the year		-	-	-	3,098	3,098
Revaluation this year		-	-	1,384	-	1,384
Dividends		-	-	-	(251)	(251)
Actuarial loss relating to pensions scheme		-	-	-	(1,941)	(1,941)
Deferred tax movement associated with actuarial loss		-	-	-	582	582
Transfer		-	1,500	-	(1,500)	-
At 1 April 2006		1,256	28,800	7,149	74	37,279

Attributable to:

	2006 £'000	2005 £'000
Equity shareholders	37,279	34,407
Non-equity shareholders	-	-
	37,279	34,407

The effect of recognising the FRS 17 pension liability on the Group's profit and loss account and general reserve is as follows:

Profit and loss account and general reserve excluding pension liability	38,357	36,112
Pension liability	(9,483)	(8,726)
Profit and loss account and general reserve	28,874	27,386

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 1 APRIL 2006

20 Reconciliation of shareholders' funds and movement in reserves (continued)

Company	Note	Share capital £'000	General reserve £'000	Revaluation reserve £'000	Profit & loss account £'000	Total £'000
At 3 April 2004		1,268	31,300	-	5,672	38,240
Profit for the year		-	-	-	4,697	4,697
Dividends		-	-	-	(251)	(251)
Transfer		-	4,400	-	(4,400)	-
At 2 April 2005		1,268	35,700	-	5,718	42,686
Prior year adjustments	27	(12)	-	-	(8,525)	(8,537)
Transfer		-	(8,400)	-	8,400	-
At 2 April 2005 as restated		1,256	27,300	-	5,593	34,149
Profit for the year		-	-	-	2,400	2,400
Revaluation this year		-	-	2,343	-	2,343
Dividends		-	-	-	(251)	(251)
Actuarial loss relating to pensions scheme		-	-	-	(1,941)	(1,941)
Deferred tax movement associated with actuarial loss		-	-	-	582	582
Transfer		-	1,500	-	(1,500)	-
At 1 April 2006		1,256	28,800	2,343	4,883	37,282

Attributable to:

	2006 £'000	2005 £'000
Equity shareholders	37,282	34,149
Non-equity shareholders	-	-
	37,282	34,149

The effect of recognising the FRS 17 pension liability on the Company's profit and loss account and general reserve is as follows:

Profit and loss account and general reserve excluding pension liability	43,166	41,619
Pension liability	(9,483)	(8,726)
Profit and loss account and general reserve	33,683	32,893

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 1 APRIL 2006

20 Reconciliation of shareholders' funds and movement in reserves (continued)

The Company has not presented its own profit and loss account as permitted by Section 230 of the Companies Act 1985. The amount of the Company profit for the year, included in the Group accounts, is shown above.

Summary of the rights of each class of shareholder:

Equity – Ordinary shareholders

Right to participate in all retained profits and assets of the Company and to receive notice of and vote at any Annual General Meeting.

Non-equity – Preference shareholders

Right to re-payment of capital and arrears of dividend in a winding up. No right to receive notice of or vote at any Annual General Meeting unless the preferential dividend is six months in arrears.

In accordance with FRS 25 'Financial Instruments' issued in December 2004, the preference shares have been reclassified as liabilities in creditors: amounts falling due after more than one year. The corresponding balance sheet amounts for 2005 have been restated to reclassify the preference shares as liabilities in creditors: amounts falling due after more than one year.

21	Reconciliation of operating profit to net cash inflow from operating activities	2006	2005
		£'000	£'000
	Operating profit and exceptional item	7,328	9,926
	Amortisation	248	248
	Depreciation	5,049	5,106
	(Profit) on disposal of tangible fixed assets	(353)	(1,462)
	Pension contributions paid in excess of current year service cost	(1,053)	(1,105)
	(Increase)/decrease in stocks	(988)	612
	Decrease in debtors	147	126
	Increase/(decrease) in creditors	593	(2,522)
		<u>10,971</u>	<u>10,929</u>
22	Reconciliation of net cash flow to movement in net debt		
	(Decrease) in cash in the period	(1,812)	(2,122)
	Loan repayments	4,392	3,907
	Finance lease repayments	492	175
	Loan advances	(5,750)	(6,000)
	Finance lease advances	(3,139)	(1,310)
		<u>(5,817)</u>	<u>(5,350)</u>
	Change in net debt in the period	(45,071)	(39,721)
	Net debt at 2 April 2005		
	Net debt at 1 April 2006	(50,888)	(45,071)

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 1 APRIL 2006

23 Analysis of changes in net debt

	At 2 April 2005 £'000	Cash flows £'000	Other changes £'000	At 1 April 2006 £'000
Overdraft	(7,190)	(1,812)	-	(9,002)
Loans due within one year	(4,192)	4,392	(5,058)	(4,858)
Loans due after one year	(32,084)	(5,750)	5,058	(32,776)
Finance leases – due within one year	(351)	492	(1,097)	(956)
Finance leases – due after one year	(1,254)	(3,139)	1,097	(3,296)
	(45,071)	(5,817)	-	(50,888)

24 Pensions

Defined Benefit Scheme

The group has adopted FRS17 Retirement benefits for its defined scheme for the first time in 2006. The full impact of this change in accounting policy has been disclosed in note 27.

The Group operates a funded defined benefit scheme for the benefit of eligible employees. The assets of the scheme are administered by trustees in a fund independent from those of the Group. A full actuarial valuation was carried out at 6 April 2003 by a qualified independent actuary.

FRS17 uses actuarial techniques to assess the present value of future pension liabilities.

Profit and loss account charges

The pension charge for the year relating to the scheme was £1.505m (2005 : £1.486m).

In accordance with FRS 17 Retirement benefits, the charge for the scheme has been calculated on the sum of the cost of benefits accruing in the year, the increase in the value of benefits already accrued and the expected return on net assets. The Group contribution to the scheme during the year amounted to 17.8% of pensionable salaries.

The defined benefit scheme is closed to new members and has an age profile that is rising and therefore under the projected unit method the current service cost will increase as the members approach retirement.

Balance sheet liability

The net balance sheet liability position in respect of the defined benefit scheme is summarised as follows:

	2006 £'000	2005 £'000
Deficit in the scheme	(13,547)	(12,466)
Related deferred tax assets	4,064	3,740
Net pension liability	(9,483)	(8,726)

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 1 APRIL 2006

24 Pensions (continued)

The net actuarial loss adjusted for deferred tax for the year recognised in the Consolidated Statement of Total Recognised Gains and Losses amounted to £1,359,000 (2005 : loss £2,783,000).

The principal assumptions used for the FRS 17 actuarial valuation were:

	2006 %	2005 %	2004 %
Rate of increase in salaries	5.00	5.00	4.00
Rate of increase in deferred pensions	2.80	2.80	2.80
Rate of increase in pensions in payment	2.80	2.80	2.80
Discount rate	4.90	5.39	5.54
Inflation assumption	2.80	2.80	2.80

The fair value of the assets in the scheme, the present value of liabilities in the scheme and the expected rate of return at each balance sheet date were:

	2006 %	2006 £'000	2005 %	2005 £'000	2004 %	2004 £'000
Equities	8.00	18,446	8.00	18,963	8.00	14,652
Bonds	4.90	12,827	5.39	2,390	5.50	2,091
Cash	4.00	294	4.00	1,842	4.00	1,186
Other	8.00	104	8.00	96	8.00	84
Total fair value of assets		31,671		23,291		18,013
Present value of scheme liabilities		(45,218)		(35,757)		(27,453)
Deficit in the scheme		(13,547)		(12,466)		(9,440)
Related deferred tax assets		4,064		3,740		2,832
Net pension liability		(9,483)		(8,726)		(6,608)

Future joint contribution rates have been agreed at 25.8%

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS CONTINUED

FOR THE YEAR ENDED 1 APRIL 2006

24 Pensions (continued)

Analysis of the amount charged to operating profit under FRS 17:

	2006 £'000	2005 £'000
Current service cost	(1,312)	(1,331)

Analysis of the amount charged to net finance income under FRS 17:

Expected return on pension scheme assets	2,096	1,718
Interest on pension scheme liabilities	(2,289)	(1,873)
Net charge	(193)	(155)

Analysis of the actuarial loss recognised in the Consolidated Statement of Total Recognised Gains and Losses

Actual return less expected return on assets	4,033	960
Experience gains and losses on liabilities	(271)	(626)
Changes in assumptions	(5,703)	(4,310)
Actuarial loss recognised	(1,941)	(3,976)

Movement in deficit during the year

Deficit in scheme at beginning of the year	(12,466)	(9,440)
Current service cost	(1,312)	(1,331)
Past service cost	-	-
Contributions	2,365	2,436
Net finance cost	(193)	(155)
Actuarial loss	(1,941)	(3,976)
Deficit in the scheme at end of the year	(13,547)	(12,466)

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS CONTINUED

FOR THE YEAR ENDED 1 APRIL 2006

24 Pensions (continued)

History of experience gains and losses

	2006	2005	2004	2003
	£'000	£'000	£'000	£'000
Difference between the expected and actual return on scheme assets	4,033	960	2,373	(4,112)
% of scheme assets	11.00%	3.40%	13.20%	24.70%
Experience gains and losses on scheme liabilities	(271)	(626)	(528)	419
% of the present value of the scheme liabilities	0.50%	1.50%	1.90%	1.50%
Changes in assumptions	(5,703)	(4,310)	(1,105)	(2,103)
% of the present value of the scheme liabilities	12.60%	12.10%	4.00%	9.22%
Total amount recognised in the statement of total recognised gains and losses	(1,941)	(3,976)	740	(5,796)
% of the present value of the scheme liabilities	4.29%	11.11%	2.70%	25.50%

The Scheme is now closed to employees joining the company on or after 1 October 2004. Employees joining the company after that date if eligible are invited to join the new defined contribution scheme.

25 Defined contribution scheme

The defined contribution scheme assets are administered by trustees in funds independent from those of the Group.

Total contributions paid in the year were £51,319 (2005 : £28,177)

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS CONTINUED

FOR THE YEAR ENDED 1 APRIL 2006

26 Commitments

Operating leases

At 1 April 2006 the Group had minimum annual commitments under non-cancellable operating leases as follows:

	2006 £'000 Land and buildings	2006 £'000 Other items	2005 £'000 Land and buildings	2005 £'000 Other items
Commitments expiring within one year	-	24	-	13
Commitments expiring within two to five years	-	-	-	11
Commitments expiring over more than five years	783	-	783	-
	783	24	783	24

27 Prior year adjustments

The Group has adopted Financial Reporting Standards 17 "Retirement Benefits", 21 "Events after the Balance Sheet Date" and 25 "Financial Instruments: Disclosure and Presentation" in these financial statements. The relevant comparatives have been restated to comply with these Financial Reporting Standards and a transfer made from general reserve to offset the impact on the profit and loss account in the prior year.

The adjustments to the consolidated balance sheet at 2 April 2005 resulting from the prior year adjustments are as follows:

	Creditors: amounts falling falling due within one year £'000	Pension liability £'000	Equity shareholders' funds £'000	Non-equity shareholders' funds £'000	Total shareholders' funds £'000
As previously reported	(28,447)	-	42,932	12	42,944
Retirement Benefits (FRS 17)	-	(8,726)	(8,726)	-	(8,726)
Dividends (FRS 21)	201	-	201	-	201
Preference Shares (FRS 25)	(12)	-	-	(12)	(12)
2005 as restated	(28,258)	(8,726)	34,407	-	34,407

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS CONTINUED

FOR THE YEAR ENDED 1 APRIL 2006

27 Prior year adjustments (continued)

The adjustments to the profit after tax for the year ended 2 April 2005 resulting from the prior year adjustments are as follows:

	£'000
As previously stated	4,842
Retirement Benefits	<u>665</u>
Restated	<u>5,507</u>