

E H BOOTH & CO LIMITED
DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED
31 MARCH 2007



E H BOOTH & CO LIMITED

CONTENTS

	Page
Company Details	1
Notice of Meeting	2
Chairman's Report	3
Report of the Directors	5
Report of the Auditors	8
Consolidated Profit and Loss Account	9
Statement of Group Total Recognised Gains and Losses	10
Consolidated Balance Sheet	11
Consolidated Cashflow Statement	12
Company Balance Sheet	13
Statement of Accounting Policies	14
Notes to the Accounts	16

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
Ribbleton
Preston
PR2 5BX

Company number

49933

Auditors

Moore and Smalley LLP
Preston

Bankers

National Westminster Bank PLC
Manchester

Solicitors

Napthens LLP
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 Wednesday 12 September 2007 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 31 March 2007
- 3 To confirm the payment of the interim dividend paid on 31 March 2007
- 4 To declare a final dividend.
- 5 To re-elect Mr E J Booth, Mr S K Booth and Mr J A P Vandermeer as directors 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 1 August 2007



J A P Vandermeer – Secretary

Central Office
Longridge Road
Ribbleson
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

Sales at £231m have increased this year by 7.2%. Given that there were no store openings during the year, this is a creditable performance although it should be noted that these figures include two Easter trading periods. Profitability is steady with an increase in operating profit of 3.9% to £6.9m. Interest costs have increased by 9.2%, resulting in the profit before taxation and exceptional items being similar to last year. Our re-branding work is now complete and we have successfully implemented "Chip & Pin" payment systems in conjunction with an upgrade to our checkout software. This was an onerous and expensive piece of work which was completed on time and below budget by our IT Department. Work undertaken to better manage the deployment of personnel throughout the company has been successful and we are continuing to develop our management and training techniques in order to offer our customers excellent service at reasonable cost.

Store Developments

The construction of our new Lytham store is now well under way with an opening expected at around the time of the Annual General Meeting in September. There are to be various new ideas piloted at this store which will also incorporate an up-to-date interpretation of our "Artisan" restaurant concept.

Work has now begun to construct an attractive village store at Hesketh Bank. Consistent with the creativity that is applied to the design of our buildings, this store will, again, be unique with an effective use of natural light and attractive sales areas.

Web Services

The work to redevelop the booths.co.uk website has only just begun as we were keen to make sure that the revised site will have maximum impact and functionality. In parallel with this, we are scoping work to "refit" the everywine.co.uk virtual store in order to capitalise on the potential that we have identified to enhance search engine optimisation work and customer conversion rates. During 2006/07 we achieved a sales growth of 10% with an operating loss of £118k. We now have over 44,000 wines available on the site and the sales growth in the present year to date is increasing at 37%.

Financial Year 2007/2008

Sales for the present financial year started strongly but have more recently been affected by appalling weather and the continued increase in interest rates which, in turn, have sparked a price war amongst the national supermarkets. We are, however, in a position to glean the benefit of work that we have undertaken to control costs and in September we will redirect all the chilled goods that are presently being supplied by NISA Today's through our central operations. We are further strengthening our Buying and Stock Control teams to accommodate this large piece of business and the Buying team is confident of further enhancing our profitability in this important product category.

We hope, before too long, to make a start on work to construct a replacement store at Garstang. This will be a full sized Booths store which we hope to open early in 2009. The properties team remains extremely busy both refurbishing aged store fabric and identifying new opportunities for growth and I am confident that we are going to be kept busy with developments for many years to come.

E H BOOTH & CO LIMITED

CHAIRMAN'S REPORT *(continued)*

We live in an age which is now being described as a "bio-economy" with much public debate centred on the efficient use of energy and the need for more localised food production and distribution. Booths is in a strong position to further develop regional supply infrastructure and, in addition, we are actively seeking ways to minimise our impact on the environment as a whole. In the eyes of our trade and customers, Booths continues to go from strength to strength. Over the last year we have continued to be recognised for excellence in many areas of our business and, in particular, farmed produce and wine. A short while ago, we were cited by an industry group under the auspices of the "Grocer" magazine as being the Second Best Food & Drink Retailer in the World. While this piece of news was most welcome and recognised the immense effort that so many people at Booths have made, it must not distract us from continuing to be creative and ensuring that our shopkeeping is of the highest order. The economic background is going to remain tight and we will apply prudence and salesmanship to our business in order to achieve continued growth here in the North of England.



E J Booth – Chairman

E H BOOTH & CO LIMITED

REPORT OF THE DIRECTORS

The directors have pleasure in submitting their one hundred and tenth annual report, together with the audited financial statements for the Group for the year ended 31 March 2007

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 £3.4m (2006 : £3.1m)

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

Business review

The Group is required under the Companies Act 1985 to set out in this report a fair review of the business of the Group during the financial year ended 31 March 2007 and of the position of the Group at the end of that financial year and a description of the principal risks and uncertainties faced by the Group (known as a 'Business review'). The information that fulfils the requirements of the Business review can be found in this report and the Chairman's report on pages 3 and 4

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

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, magazines and intranet

The Group involves its employees in the running of the business by allowing 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

Financial risk management

The Group'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 Group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Group by monitoring levels of debt finance and the related finance costs. The Group does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied

E H BOOTH & CO LIMITED

REPORT OF THE DIRECTORS *(continued)*

Price risk

The Group is exposed to commodity price risk as a result of its operations. However, given the size of the Group'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 Group's operations change in size or nature. The Group has no exposure to equity securities price risk, other than in respect of investments in the defined benefit pension scheme.

Liquidity risk

The Group actively maintains a mixture of long-term and short-term debt finance that is designed to ensure the Group 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 directors who served during the year are shown on page 1.

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.

E H BOOTH & CO LIMITED

REPORT OF THE DIRECTORS *(continued)*

Directors' responsibilities for the financial statements *(continued)*

In so far as the directors are aware

- there is no relevant audit information of which the group'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.

Auditors

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

This report was approved by the board on 1 August 2007 and signed on its behalf



E J Booth – Chairman

Central Office
Longridge Road
Ribbleton
Preston
PR2 5BX

E H BOOTH & CO LIMITED

We have audited the accounts of E H Booth & Co Limited for the year ended 31 March 2007 which are on pages 9 to 32. These accounts have been prepared under the historical cost convention, as modified by the revaluation of investment properties, and the accounting policies set out on pages 14 and 15.

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 whether in our opinion the information given in the Directors' Report is consistent with the accounts.

In addition we report to you if, in our opinion, 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 other transactions 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 31 March 2007 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, and the information given in the Directors' Report is consistent with the accounts for the year ended 31 March 2007.

Moore and Smalley LLP

Moore and Smalley LLP
Chartered Accountants
and Registered Auditors
Preston

2 August 2007

E H BOOTH & CO LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2007

	Note	2007 £'000	2006 £'000
Turnover		231,028	215,454
Cost of sales		<u>(209,510)</u>	<u>(195,919)</u>
Gross profit		21,518	19,535
Administrative expenses		<u>(15,191)</u>	<u>(13,427)</u>
		6,327	6,108
Other operating income	1	<u>612</u>	<u>572</u>
Operating profit	2	6,939	6,680
Interest payable and similar charges	3	<u>(2,937)</u>	<u>(2,690)</u>
Profit on ordinary activities before taxation and exceptional item		4,002	3,990
Exceptional item	6	<u>1,226</u>	<u>649</u>
Profit on ordinary activities before taxation		5,228	4,639
Tax on profit on ordinary activities	7	<u>(1,817)</u>	<u>(1,540)</u>
Profit on ordinary activities after taxation	20	<u>3,411</u>	<u>3,099</u>

Continuing operations

All of the activities of the Group are classed as continuing

E H BOOTH & CO LIMITED

STATEMENT OF GROUP TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 MARCH 2007

	2007	2006
	£'000	£'000
Profit for the financial year	3,411	3,099
Unrealised (deficit)/surplus on revaluation of investment properties	(183)	1,386
Actuarial gain/(loss)	7,616	(1,941)
Deferred tax (credit)/charge on actuarial gain/(loss)	<u>(2,285)</u>	<u>582</u>
Total recognised gains and losses for the year	<u>8,559</u>	<u>3,126</u>

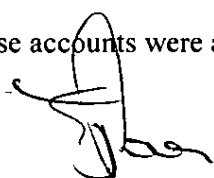
E H BOOTH & CO LIMITED

CONSOLIDATED BALANCE SHEET

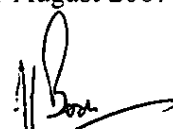
AS AT 31 MARCH 2007

	Note	2007	2006
		£'000	£'000
Fixed assets			
Intangible assets	9	3,821	4,069
Tangible assets	10	<u>104,685</u>	<u>101,673</u>
		108,506	105,742
Current assets			
Stocks	14	10,904	9,440
Debtors	15	2,638	2,355
Cash at bank & in hand		<u>1,948</u>	<u>-</u>
		15,490	11,795
Creditors – amounts falling due within one year	16	<u>(30,692)</u>	<u>(31,794)</u>
Net current liabilities		<u>(15,202)</u>	<u>(19,999)</u>
Total assets less current liabilities		93,304	85,743
Creditors – Amounts falling due after more than one year	17	<u>(40,415)</u>	<u>(36,072)</u>
		52,889	49,671
Provision for liabilities and charges	18	<u>(3,405)</u>	<u>(2,908)</u>
Net assets excluding pension liability		49,484	46,763
Pension liability	24	<u>(3,894)</u>	<u>(9,481)</u>
Net assets including pension liability		<u>45,590</u>	<u>37,282</u>
Capital and reserves			
Called up share capital	19	1,256	1,256
General reserve	20	-	28,800
Revaluation reserve	20	6,968	7,151
Profit and loss account	20	<u>37,366</u>	<u>75</u>
Shareholders' funds	20	<u>45,590</u>	<u>37,282</u>

These accounts were approved and authorised for issue by the board on 1 August 2007



E J Booth – Director



H M Booth – Director

E H BOOTH & CO LIMITED

CONSOLIDATED CASHFLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2007

	Note	2007	2006
		£'000	£'000
Net cash inflow from operating activities	21	16,836	10,917
Returns on investments and servicing of finance			
Interest paid		(2,598)	(2,435)
Interest element of finance lease payments		<u>(238)</u>	<u>(62)</u>
Net cash outflow from returns on investments and servicing of finance		(2,836)	(2,497)
Taxation			
Corporation tax paid		(810)	(926)
Capital expenditure and financial investment			
Payments made to acquire tangible fixed assets		(8,263)	(10,584)
Receipts from sale of tangible fixed assets		<u>1,332</u>	<u>663</u>
Net cash outflow from capital expenditure and financial investment		(6,931)	(9,921)
		6,259	(2,427)
Equity dividends paid		(251)	(251)
Net cash inflow/(outflow) before financing		6,008	(2,678)
Financing			
Loan advances	22	10,658	5,750
Loan repayments	22	(5,003)	(4,392)
Capital element of finance lease	22	<u>(1,004)</u>	<u>(492)</u>
Net cash inflow from financing		4,651	866
Increase/(Decrease) in cash	22	10,659	(1,812)

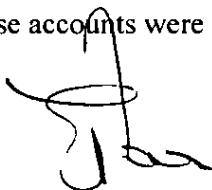
E H BOOTH & CO LIMITED

COMPANY BALANCE SHEET

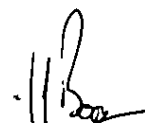
AS AT 31 MARCH 2007

	Note	2007	2006
		£'000	£'000
Fixed assets			
Intangible assets	9	3,821	4,069
Tangible assets	11	97,555	94,543
Investments	12	-	-
		<u>101,376</u>	<u>98,612</u>
Current assets			
Stocks	14	10,904	9,440
Debtors	15	9,710	9,385
Cash at bank & in hand		<u>1,895</u>	<u>-</u>
		22,509	18,825
Creditors – amounts falling due within one year	16	<u>(30,650)</u>	<u>(31,759)</u>
Net current liabilities		<u>(8,141)</u>	<u>(12,934)</u>
Total assets less current liabilities		93,235	85,678
Creditors – Amounts falling due after more than one year	17	<u>(40,415)</u>	<u>(36,072)</u>
		52,820	49,606
Provision for liabilities and charges	18	<u>(3,336)</u>	<u>(2,843)</u>
Net assets excluding pension liability		49,484	46,763
Pension liability	24	<u>(3,894)</u>	<u>(9,481)</u>
Net assets including pension liability		<u>45,590</u>	<u>37,282</u>
Capital and reserves			
Called up share capital	19	1,256	1,256
General reserve	20	-	28,800
Revaluation reserve	20	2,208	2,343
Profit and loss account	20	<u>42,126</u>	<u>4,883</u>
Shareholders' funds	20	<u>45,590</u>	<u>37,282</u>

These accounts were approved and authorised for issue by the board on 1 August 2007



E J Booth – Director



H M Booth – Director

E H BOOTH & CO LIMITED

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2007

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 (2006 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 ¹ / ₃ % 20%	on cost, and 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 31 MARCH 2007

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 out 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 disposal of fixed assets that have been rolled over into replacement assets. However, no provision is made where, gains have arisen from the revaluation (and similar fair value adjustments) of fixed assets.

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 31 MARCH 2007

1	Other operating income	2007 £'000	2006 £'000
	Net rental income	612	572
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	1,112	579
	Depreciation on owned tangible fixed assets	4,507	4,470
	Amortisation of goodwill	248	248
	Loss on disposal of tangible fixed assets	269	296
	Auditors' remuneration		
	- Fees payable to the auditor for the audit of the accounts	25	25
	- Fees payable to the auditor for other services:		
	- Taxation	33	31
	- Internal audit	4	9
	- Other	15	14
	Operating lease rentals of		
	Land and buildings	793	685
	Plant and machinery	63	15
3	Interest payable and similar charges		
	On bank loans and overdrafts	2,598	2,435
	Finance lease charges	238	62
	Net finance charge on pension scheme assets and liabilities	101	193
		2,937	2,690
4	Directors' remuneration		
	Total directors' emoluments (including benefits in kind)	932	918
	Highest Paid Director – emoluments	245	240

As at 31 March 2007 the Highest Paid Director had accrued pension rights of £94,714 (2006 £96,125)

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 31 MARCH 2007

5	Employees	2007 £'000	2006 £'000
	Staff costs during the year amounted to:		
	Wages and salaries	29,288	28,904
	Social security costs	1,931	1,782
	Other pension costs	1,837	1,363
		33,056	32,049
	Breakdown of the average number of employees	No.	No.
	Management	5	5
	Selling and distribution	2,787	2,829
	Administration	77	69
		2,869	2,903
6	Exceptional item	2007 £'000	2006 £'000
	Profit on sale of land and buildings	1,226	649
7	Tax on profits on ordinary activities		
	(a) Analysis of tax charge in year		
	Current year		
	UK corporation tax at 30% (2006 30%)	1,201	946
	Deferred tax charge	503	381
	Deferred tax charge in respect of pension scheme	112	258
		1,816	1,585
	Prior periods		
	UK corporation tax	7	(108)
	Deferred tax	(6)	63
		1,817	1,540

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 31 MARCH 2007

7 Tax on profits on ordinary activities *(continued)*

(b) Factors affecting tax charge for the year	2007 £'000	2006 £'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	5,228	4,639
UK corporation tax at the standard rate 30% (2006 30%)	1,569	1,391
Depreciation for the year in excess of capital allowances	107	14
Expenses not deductible for tax purposes	19	9
Accounting profit in excess of capital gain	(20)	(132)
Timing differences relating to movements on pension liability	(112)	(258)
Other timing differences	(355)	(62)
Marginal relief	(7)	(16)
	1,201	946

(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 £1.45m.

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 31 MARCH 2007

8	Dividends	2007 £'000	2006 £'000
	Year ended 1 April 2006		
	Final paid at 16 pence per share (16 pence)	201	201
	Year ended 31 March 2007		
	Interim paid at 4 pence per share (4 pence)	<u>50</u>	<u>50</u>
		<u>251</u>	<u>251</u>

A dividend of 17 pence per share has been proposed after the year end (2006 16 pence per share)

9	Intangible Fixed Assets	Goodwill £'000
	Group and Company	
	Cost	
	At 2 April 2006 and 31 March 2007	<u>4,953</u>
	Amortisation	
	At 2 April 2006	884
	Charge for the year	<u>248</u>
	At 31 March 2007	<u>1,132</u>
	Net book value	
	At 31 March 2007	<u>3,821</u>
	At 1 April 2006	<u>4,069</u>

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 31 MARCH 2007

10

Tangible fixed assets				Assets held under finance leases	
Group	Land and buildings £'000	Investment properties £'000	Fixtures plant and vehicles £'000	leases £'000	Total £'000
Cost or valuation					
At 2 April 2006	71,296	9,503	66,603	5,116	152,518
Transfers	(695)	256	(107)	(32)	(578)
Additions	5,027	57	3,179	926	9,189
Disposals	(95)	-	(1,127)	(21)	(1,243)
Revaluation	-	(183)	-	-	(183)
At 31 March 2007	75,533	9,633	68,548	5,989	159,703
Depreciation					
At 2 April 2006	9,268	-	40,606	971	50,845
Transfers	(439)	-	(139)	-	(578)
Charge for the year	932	-	3,575	1,112	5,619
On disposals	(45)	-	(818)	(5)	(868)
At 31 March 2007	9,716	-	43,224	2,078	55,018
Net book value					
At 31 March 2007	65,817	9,633	25,324	3,911	104,685
At 1 April 2006	62,028	9,503	25,997	4,145	101,673
Net book value of land and buildings and investment properties comprises -					
				2007 £'000	2006 £'000
Freehold				60,362	56,200
Long leasehold (more than 50 years unexpired)				<u>15,088</u>	<u>15,331</u>
				75,450	71,531
Non-depreciating assets included in land and buildings -					
Freehold				16,745	17,237
Long leasehold (more than 50 years unexpired)				<u>6,655</u>	<u>6,655</u>
				23,400	23,892

Contracts have been exchanged to dispose of certain investment properties subject to obtaining planning consent. The valuation adopted in the accounts at 31 March 2007 is equal to the consideration in the contract. Other investment property has been revalued at 31 March 2007 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 £2,665,000 (2006 £2,352,000)

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 31 MARCH 2007

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 2006	70,912	2,464	66,326	5,116	144,818
Transfers	(311)	256	32	(32)	(55)
Additions	5,027	-	3,179	926	9,132
Disposals	(95)	-	(1,127)	(21)	(1,243)
Revaluation	-	(135)	-	-	(135)
At 31 March 2007	75,533	2,585	68,410	5,989	152,517
Depreciation					
At 2 April 2006	8,884	-	40,420	971	50,275
Transfers	(55)	-	-	-	(55)
Charge for the year	932	-	3,566	1,112	5,610
On disposals	(45)	-	(818)	(5)	(868)
At 31 March 2007	9,716	-	43,168	2,078	54,962
Net book value					
At 31 March 2007	65,817	2,585	25,242	3,911	97,555
At 1 April 2006	62,028	2,464	25,906	4,145	94,543
Net book value of land and buildings and investment properties comprises -					
				2007 £'000	2006 £'000
Freehold				53,314	49,161
Long leasehold (more than 50 years unexpired)				15,088	15,331
				68,402	64,492
Non-depreciating assets included in land and buildings -					
Freehold				16,745	17,237
Long leasehold (more than 50 years unexpired)				6,655	6,655
				23,400	23,892

On the historical cost basis, the net book value of investment properties is £377,000 (2006 £121,000).

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 31 MARCH 2007

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 31 March 2007 was £47,231 (2006 £70,152). The company had negative capital and reserves of £629,620 at 31 March 2007 (2006 £629,230).

13 Capital commitments

Group and Company

2007	2006
£'000	£'000

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

7,175	-
-------	---

14 Stocks

Group and Company

2007	2006
£'000	£'000

Goods for resale

10,904	9,440
--------	-------

15 Debtors

Group

Company

2007	2006	2007	2006
£'000	£'000	£'000	£'000

Other debtors	8	33	1	1
Prepayments and accrued income	2,630	2,322	2,630	2,322
Amounts owed by Group Undertaking	-	-	7,079	7,062
	2,638	2,355	9,710	9,385

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 31 MARCH 2007

16	Creditors – amounts falling due within one year	Group		Company	
		2007	2006	2007	2006
		£'000	£'000	£'000	£'000
	Bank overdraft	291	9,002	291	9,007
	Bank loans	5,917	4,858	5,917	4,858
	Trade creditors	19,262	13,589	19,262	13,589
	Current corporation tax	702	304	695	278
	Other taxes and social security costs	837	607	837	595
	Finance leases	1,131	956	1,131	956
	Accruals	2,540	2,466	2,505	2,464
	Preference shares	12	12	12	12
		30,692	31,794	30,650	31,759

17	Creditors – amounts falling due after more than one year	Group and Company	
		2007	2006
		£'000	£'000
	Bank loans repayable by instalments:		
	Repayable within two years	6,114	4,916
	Repayable between two and five years	16,975	14,377
	Repayable after five years	14,283	13,483
		37,372	32,776
	Finance leases repayable by instalments:		
	Repayable within two years	1,048	997
	Repayable between two and five years	1,863	2,299
	Repayable after five years	132	-
		40,415	36,072

The loans repayable after more than five years are due in instalments over seven to ten years. Instalments are payable at a rate of £417,392 per month and £261,771 per quarter. A repayment holiday of £138,889 exists for one of the quarterly payments.

Bank loans are secured by legal mortgage over certain freehold properties and bear interest at 1% over National Westminster Bank base rate. Finance loans are secured over specific assets and bear interest at 0.75% 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 31 MARCH 2007

18 Provision for liabilities and charges

Deferred taxation	Group		Company	
	2007 £'000	2006 £'000	2007 £'000	2006 £'000
Balance brought forward	2,908	2,464	2,843	2,464
Movement in the year	<u>497</u>	<u>444</u>	<u>493</u>	<u>379</u>
Balance carried forward	<u>3,405</u>	<u>2,908</u>	<u>3,336</u>	<u>2,843</u>
The deferred taxation provision represents:				
Accelerated capital allowances	2,853	2,711	2,784	2,646
Other timing differences	<u>552</u>	<u>197</u>	<u>552</u>	<u>197</u>
	<u>3,405</u>	<u>2,908</u>	<u>3,336</u>	<u>2,843</u>

19 Share Capital

	Group and Company			
	Authorised		Allotted and fully paid	
	2007 £'000	2006 £'000	2007 £'000	2006 £'000
Equity:				
Ordinary shares of £1 each	<u>1,300</u>	<u>1,300</u>	<u>1,256</u>	<u>1,256</u>
Non-equity:				
3½% Net cumulative preference shares of £1 each	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 31 MARCH 2007

20 Reconciliation of shareholders' funds and movement in reserves

Group	Share capital £'000	General reserve £'000	Revaluation reserve £'000	Profit & loss account £'000	Total £'000
At 2 April 2005	1,256	27,300	5,765	86	34,407
Profit for the year	-	-	-	3,099	3,099
Revaluation this year	-	-	1,386	-	1,386
Dividends	-	-	-	(251)	(251)
Actuarial loss relating to pension 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	7,151	75	37,282
Profit for the year	-	-	-	3,411	3,411
Revaluation this year	-	-	(183)	-	(183)
Dividends	-	-	-	(251)	(251)
Actuarial gain relating to pension scheme	-	-	-	7,616	7,616
Deferred tax movement associated with actuarial gain	-	-	-	(2,285)	(2,285)
Transfer	-	(28,800)	-	28,800	-
At 31 March 2007	1,256	-	6,968	37,366	45,590

Attributable to:

	2007 £'000	2006 £'000
Equity shareholders	45,590	37,282

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	41,260	38,356
Pension liability	(3,894)	(9,481)
Profit and loss account and general reserve	37,366	28,875

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 31 MARCH 2007

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

Company	Share capital £'000	General reserve £'000	Revaluation reserve £'000	Profit & loss account £'000	Total £'000
At 2 April 2005	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 pension 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
Profit for the year	-	-	-	3,363	3,363
Revaluation this year	-	-	(135)	-	(135)
Dividends	-	-	-	(251)	(251)
Actuarial gain relating to pension scheme	-	-	-	7,616	7,616
Deferred tax movement associated with actuarial gain	-	-	-	(2,285)	(2,285)
Transfer	-	(28,800)	-	28,800	-
At 31 March 2007	1,256	-	2,208	42,126	45,590

Attributable to:

	2007 £'000	2006 £'000
Equity shareholders	45,590	37,282

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	46,020	43,164
Pension liability	(3,894)	(9,481)
Profit and loss account and general reserve	42,126	33,683

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 31 MARCH 2007

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

In order to simplify the presentation of the accounts, the directors have decided to dispense with the General Reserve by transferring this to the Profit and Loss Account

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 within creditors

21	Reconciliation of operating profit to net cash inflow from operating activities	2007 £'000	2006 £'000
	Operating profit and exceptional item	8,165	7,329
	Amortisation	248	248
	Depreciation	5,619	5,049
	(Profit) on disposal of tangible fixed assets	(957)	(353)
	Pension contributions paid in excess of current year service cost	(469)	(1,053)
	(Increase) in stocks	(1,464)	(988)
	(Increase)/decrease in debtors	(283)	144
	Increase in creditors	5,977	541
		16,836	10,917
22	Reconciliation of net cash flow to movement in net debt		
	Increase/(decrease) in cash in the period	10,659	(1,812)
	Cashflow from debt and lease financing	(4,651)	(866)
	New finance leases	(926)	(3,139)
	Change in net debt in the period	5,082	(5,817)
	Net debt at 2 April 2006	(50,900)	(45,083)
	Net debt at 31 March 2007	(45,818)	(50,900)

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 31 MARCH 2007

23 Analysis of changes in net debt

	At 2 April 2006 £'000	Cash flows £'000	Other changes £'000	At 31 March 2007 £'000
Net Cash				
Cash at bank & in hand	-	1,948	-	1,948
Overdraft	(9,002)	8,711	-	(291)
	(9,002)	10,659	-	1,657
Debt				
Preference shares	(12)	-	-	(12)
Loans due within one year	(4,858)	5,003	(6,062)	(5,917)
Loans due after one year	(32,776)	(10,658)	6,062	(37,372)
Finance leases due within one year	(956)	1,004	(1,179)	(1,131)
Finance leases due after one year	(3,296)	-	253	(3,043)
	(41,898)	(4,651)	(926)	(47,475)
Total	(50,900)	6,008	(926)	(45,818)

24 Pensions

Defined Benefit Scheme

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 2006 by a qualified independent actuary.

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

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 16.8% 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.

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 31 MARCH 2007

24 Pensions *(continued)*

Balance sheet liability

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

	2007 £'000	2006 £'000
Deficit in the scheme	(5,563)	(13,547)
Related deferred tax assets	<u>1,669</u>	<u>4,066</u>
Net pension liability	<u>(3,894)</u>	<u>(9,481)</u>

The net actuarial gain adjusted for deferred tax for the year recognised in the Consolidated Statement of Total Recognised Gains and Losses amounted to £5 423m (2006. loss £1 359m)

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

	2007 %	2006 %	2005 %
Rate of increase in salaries	4.75	5.00	5.00
Rate of increase in deferred pensions	3.00	2.80	2.80
Rate of increase in pensions in payment	3.00	2.80	2.80
Discount rate	5.40	4.90	5.39
Inflation assumption	3.00	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

	2007 %	2007 £'000	2006 %	2006 £'000	2005 %	2005 £'000
Equities	8.00	19,455	8.00	16,531	8.00	18,963
Bonds	5.40	12,662	4.90	12,827	5.39	2,390
Hedge Funds	10.00	3,083	8.00	1,915	-	-
Cash	5.75	429	4.00	294	4.00	1,842
Other	8.00	<u>104</u>	8.00	<u>104</u>	8.00	<u>96</u>
Total fair value of assets		35,733		31,671		23,291
Present value of scheme liabilities		<u>(41,296)</u>		<u>(45,218)</u>		<u>(35,757)</u>
Deficit in the scheme		(5,563)		(13,547)		(12,466)
Related deferred tax assets		<u>1,669</u>		<u>4,066</u>		<u>3,742</u>
Net pension liability		<u>(3,894)</u>		<u>(9,481)</u>		<u>(8,724)</u>

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 31 MARCH 2007

24 Pensions *(continued)*

Future joint contribution rates have been agreed at 18.3%. Part of the deficit recovery plan, a contribution of £62,000 a month, will be paid to the scheme from 6 April 2007 until 6 April 2016.

Profit and loss account charges

The amounts charged to the profit and loss account for the year are set out below

	2007	2006
	£'000	£'000
Analysis of the amount charged to operating profit under FRS 17:		
Current service cost	1,751	1,312
	<hr/>	<hr/>
Analysis of the amount charged to net finance income under FRS 17:		
Interest on pension scheme liabilities	2,549	2,289
Expected return on pension scheme assets	(2,448)	(2,096)
	<hr/>	<hr/>
Net finance charge	101	193
	<hr/>	<hr/>
Total Charge to the profit and loss account	1,852	1,505
	<hr/>	<hr/>
Analysis of the actuarial gain/(loss) recognised in the Consolidated Statement of Total Recognised Gains and Losses		
Actual return less expected return on assets	(487)	4,033
Experience gains and losses on liabilities	1,373	(271)
Changes in assumptions net of expenses paid by scheme	6,730	(5,703)
	<hr/>	<hr/>
Actuarial gain/(loss) recognised	7,616	(1,941)
	<hr/>	<hr/>

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 31 MARCH 2007

24 Pensions *(continued)*

Movement in deficit during the year

Deficit in scheme at beginning of the year	(13,547)	(12,466)
Current service cost	(1,751)	(1,312)
Past service cost	-	-
Contributions	2,220	2,365
Net finance cost	(101)	(193)
Actuarial gain/(loss)	<u>7,616</u>	<u>(1,941)</u>
Deficit in the scheme at end of the year	(5,563)	(13,547)

History of experience gains and losses

	2007 £'000	2006 £'000	2005 £'000	2004 £'000
Difference between the expected and actual return on scheme assets	(487)	4,033	960	2,373
% of scheme assets	1.2%	11.0%	3.4%	13.2%
Experience gains and losses on scheme liabilities	1,373	(271)	(626)	(528)
% of the present value of the scheme liabilities	3.0%	0.5%	1.5%	1.9%
Changes in assumptions	6,861	(5,703)	(4,310)	(1,105)
% of the present value of the scheme liabilities	15.0%	12.6%	12.1%	4.0%
Total amount recognised in the statement of total recognised gains and losses	7,616	(1,941)	(3,976)	740
% of the present value of the scheme liabilities	16.6%	4.3%	11.1%	2.7%

The Scheme is now closed to employees joining the company on or after 1 October 2004. Employees joining the group 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 £86,157 (2006: £51,319).

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 31 MARCH 2007

26 Commitments

Operating leases

At 31 March 2007 the Group had minimum annual commitments under non-cancellable operating leases as follows:

	2007	2007	2006	2006
	£'000	£'000	£'000	£'000
	Land and	Other	Land and	Other
	buildings	items	buildings	items
Commitments expiring within one year	-	13	-	24
Commitments expiring within 2-5 years	41	-	-	-
Commitments expiring after more than 5 years	<u>783</u>	<u>-</u>	<u>783</u>	<u>-</u>
	824	13	783	24
	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>