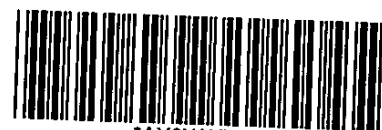


E H BOOTH & CO LIMITED
DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED
2 APRIL 2011



E H BOOTH & CO LIMITED

CONTENTS

	Page
Company Details	1
Notice of Meeting	2
Chairman's Report	3
Business Review	6
Report of the Directors	9
Independent Auditor's Report to the Shareholders	12
Consolidated Profit and Loss Account	14
Consolidated Statement of Total Recognised Gains and Losses	15
Consolidated Balance Sheet	16
Consolidated Cashflow Statement	17
Company Balance Sheet	18
Accounting Policies	19
Notes to the Accounts	21

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	Booths Central Office Longridge Road Ribbleton Preston PR2 5BX
Company number	00049933
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 on Wednesday 14th September 2011 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 2 April 2011
- 3 To confirm the payment of the interim dividend paid on 31 March 2011
- 4 To declare a final dividend
- 5 To re-elect the auditors and authorise the directors to fix their remuneration
- 6 To fix the fair value of the shares for the ensuing year
- 7 To transact any other ordinary business

By order of the board on 17 August 2011

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

This year there has been a modest uplift in sales of 0.6% although it should be noted that there were two Easter trading periods in the previous financial year. The operating profit at £9.41M is again broadly similar to the previous year with profit before taxation marginally ahead at £8.18M enhanced by a gain on the sale of the St Annes store and an advance in product margin.

Despite the continued economic malaise on the High Street, the company's performance is solid and we have been busy developing plans for new stores and refining our operations. We have also turned our minds to how the Booths offer will look in the years to come. This work encompasses product range and the "feel" of our shop floors. It is our intention to make Booths an even more attractive shopping experience while maintaining a practical grocery offer for every day customers.

Trading

During the year we said farewell to David Smith who has worked with us for just over 40 years. Until recently, David had been responsible for purchasing Beers & Ciders. His reputation in our industry was legendary and I was delighted when he was given a Lifetime Achievement Award by industry experts earlier this year.

We have now introduced two new roles in the Buying Department, an Ambient Buying Manager and a Fresh Food Buying Manager, both of whom will support the Trading Director. The Category Management functionality has also been extended to accelerate the pace at which we conduct range reviews. In response to consumer demand for value we have developed a range of value for money goods under the "Booths Everyday" label. Further work is being undertaken to enhance the appearance of the whole Booths Own Label range and this will be complimented by a project to provide attractive imagery and sales material for the store interiors.

At our Settle store, we have been piloting a Loyalty Card Scheme. The pilot has yet to be evaluated in order for us to decide whether or not to roll the scheme out throughout the company.

Over the Christmas period, we re-introduced the "Welcome to Booths Country" campaign on the television with a great deal of success. The theme is to be extended to "Bringing the Country to the City" when we open at Salford (Media City) in October.

Our relationship with "Slow Food" grows and there is now a project being undertaken to raise awareness of the North's forgotten foods, which includes delicacies such as York Ham and Damson Butter.

Property and Store Developments

The new Hesketh Bank store opened in October 2010 and featured doors on the chilled display units for the first time. Not only does this keep products in the peak of condition but also means much reduced power consumption. It is our intention to fit these new refrigerated units into all future developments. In November we entered into an agreement to lease a 10k sq ft store at Milnthorpe with an expected opening in the autumn of 2012. In December, an agreement to lease a new food store at Hale Barns was signed and in January this year, work commenced on a new large store in Penrith which is due to open in November. On 18th October we will open a new store at Media City in Salford which will trade on two floors. The store will feature a new modern approach to signage, promotional material and in-store imagery. In addition, there will be a kitchen producing Sandwiches and associated lunchtime products for sale both in the store and delivery by electric van to offices throughout Salford and beyond.

E H BOOTH & CO LIMITED

CHAIRMAN'S REPORT *(continued)*

Catering

We have continued to develop our catered offer and maintained high standards of service. The production of home-made Sandwiches has been extended to provide merchandise for chilled displays in a number of stores and we have recently installed a "Catering Pod" to serve hot drinks and snacks in the foyer of the BBC offices at Salford.

Our "Artisan" restaurant in Kendal now opens in the evenings and in order to meet demand during day-time hours, extra seating has been provided.

Web Services

With a modest increase in sales over the previous year, everywine.co.uk recorded an overall business performance ahead of 2009/10. With a business model entirely focussed on range and not price, it has been difficult to provide a stimulating offer in recessionary times. The performance of the business continues to be monitored closely and every credit should be given to the team for running the business in a rigorous and efficient manner.

Work is in progress to completely refurbish the Booths.co.uk website with the use of strong photography and engaging content. Various micro-sites have been developed including [mediacityuk.booths.co.uk](#) which is packed full of information about the new store, including location, bus routes, tram stops and local landmarks. It also boasts a feed to our twitter account and a blog.

There is now a new Recruitment site with fully functioning front and back office solution. This allows Human Resources to manage the application process in a more systematic way and many elements of applicant appraisal can be carried out on-line. To date, the new site has been an immense success and has shown how business is able to communicate in a modern and contemporary fashion.

Human Resources

In August 2010, Jacqueline Lunardi joined us as Human Resources Director and she has already made a positive impact on operations throughout the whole company.

As part of a strategic planning process, HR have been instrumental in involving around 400 of our employees in feedback sessions in order to ensure that our entire staff feel a strong association with what the company is seeking to achieve in the future. A "Booths Road Show" was created and I have been kept busy visiting each corner of our business to inform colleagues about what is going to make Booths "tick" over the next 5 years.

The Training team have continued to provide development support to the business and this has allowed a further 25% of staff to develop their literacy and numeracy skills and the Retail Apprenticeship numbers have grown by more than 100%. Three store managers and three assistant managers have been studying for their Foundation Degree in Retail and graduated in July this year.

All of our management trainees have been involved in a pilot programme with Business in the Community which has looked at the traditional work experience model and developed a more inspirational approach. The new model has been piloted with students from Ashton Community Science College and has allowed them greater involvement in the design of their work programme.

E H BOOTH & CO LIMITED

CHAIRMAN'S REPORT *(continued)*

Information Technology – Supply Control

The company is now half way through a major upgrade of its core distribution system which is both on budget and on target to be completed early in 2012. Mr Andrew Rafferty, IT Director, has now taken responsibility for Supply Control and put together a new Supply Control team which has so far been successful in reducing the central stock holding by over £1M without reducing availability at stores. The main focus of the team is on promotional forecasting and minimising wastage.

Responsible Business

Work continues at a steady pace to evaluate areas of the business where we can reduce power consumption and waste. We will report on our greenhouse gas emissions again early in 2012.

We have continued to support many community activities over the year from a Dance group to Scout groups and a social inclusion project. Plans for the "Preston Young Musicians of the Guild" Music Competition are well advanced and it is hoped that there will be a full entry.

During the year, Booths became a supporter of the Prince's Countryside Fund which promotes widespread knowledge of countryside affairs and funds projects to encourage young people to consider a career in farming.

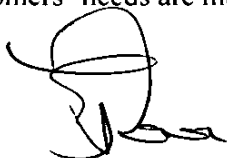
The work with Ashton Community Science College in Preston has been fulfilling for our Trainee Managers, staff and pupils. It is the company's intention to expand Business in the Community's "Work Inspiration" programme to other stores throughout the region in the future.

Financial Year 2011/12

Trading conditions have remained tough and I am proud of the supreme effort that everybody is making throughout the business to remain efficient and provide customers with excellent service. With the continuation of tight spending by customers, it is imperative that Booths offers value at all levels throughout the business. To this end, we will continue to innovate and inspire our customers with more opportunities to taste goods in stores. Trading so far this financial year has remained difficult but I have no reason to believe that we will not end the year with a solid result.

There is a tangible enthusiasm throughout Booths for ensuring that our customer's needs are met and that the business continues to grow both in terms of the attractiveness of our offer and the provision of new trading opportunities.

I should thank the Board and every employee throughout the company for "digging in" and ensuring that our customers' needs are met to the highest standards.



E J Booth – Chairman

E H BOOTH & CO LIMITED

BUSINESS REVIEW

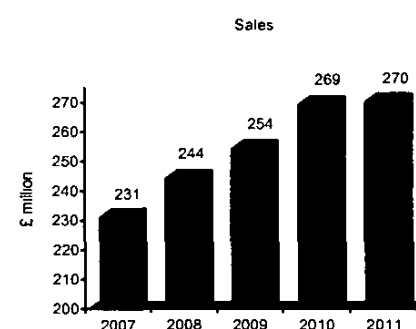
FOR THE YEAR ENDED 2 APRIL 2011

Financial highlights

- Sales for the group up £1.6m (0.6%), to £270m
- Like for like sales were 2% lower
- Operating profit down by £0.2m (2.5%), to £9.4m
- Profit before tax up £0.6m (7.2%), to £8.2m
- Dividend per share is unchanged at 23p

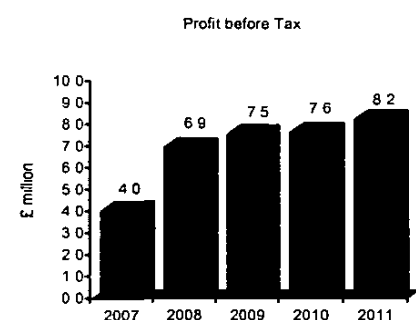
Sales

This year's sales continued to benefit from increasing inflation, the opening of a new store and a full year's trading of two stores opened last year. The closure of one store during the year and a decrease in the customer spend per transaction also impacted on sales. Like for like sales, which exclude store openings and closures and the Petrol Filling Station, were 2% down on last year (2010 up 2.9%).



Profit before tax

The economic conditions remain challenging with operating profits reducing by £0.2m to £9.4m. Profit before tax increased by £548k to £8.2m. This includes, however, an exceptional item relating to profit on the sale of land and buildings of £951k.



Net finance costs

Net finance costs increased by £158k to £2.2m (2010 £2.0m). Interest costs on overall borrowings increased by £544k, despite the overall net debt remaining in line with last year at circa £52m. This increase was offset by a net interest credit on the pension scheme assets and liabilities.

E H BOOTH & CO LIMITED

BUSINESS REVIEW

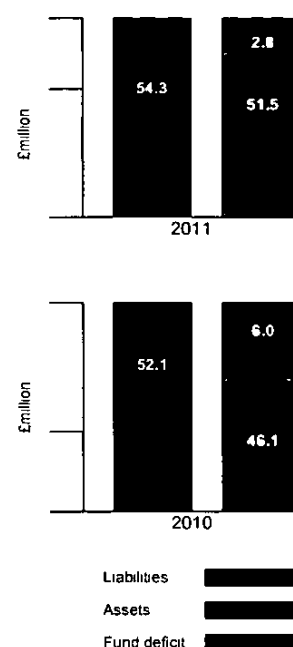
FOR THE YEAR ENDED 2 APRIL 2011

Pensions

The pension costs accounted for in the profit and loss account of £2,057k increased by £610k during the year. The main factor contributing to the increase has been the change in bond yields and the effect this has had on the final salary scheme's costs. The actual pension scheme contributions paid by the company in respect of the year were £3.1m compared to £2.8m last year. The costs attributable to operating the contracted-in money purchase scheme increased by £109k to £251k.

The pension scheme assets have increased in value by £5.4m (11.7%) over the year. Liabilities have only increased by £2.2m. The pension scheme deficit has therefore reduced from £6m to £2.8m.

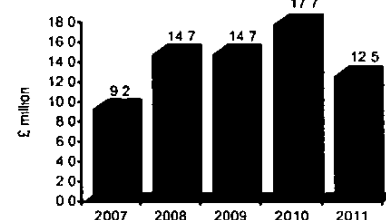
Pension scheme assets and liabilities



Capital expenditure

Capital spend in 2010/11 decreased by £5.2m to £12.5m. Costs associated with a new store in Hesketh Bank, development costs incurred at Barrowford, together with costs attributable to store refurbishment, accounted for most of the spend.

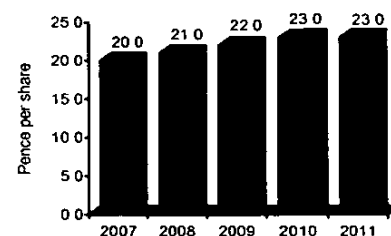
Capital Expenditure



Dividend

The total dividend declared for the year has been maintained at 23p, comprising an interim dividend paid of 4p (2010: 18p) and a final dividend to be confirmed of 19p (2010: 5p). Accounting standards require dividends to be included in the accounts on a paid basis and the amount paid in the year and therefore included in these accounts, is 9p per share (2010: 36p), comprising the 2010 final dividend of 5p (2010: 18p) and the 2011 interim dividend of 4p (2010: 18p).

Ordinary dividend per share



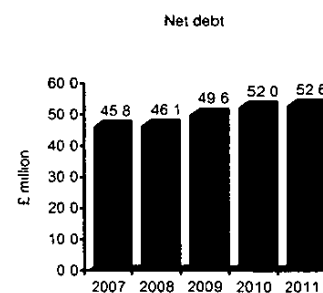
E H BOOTH & CO LIMITED

BUSINESS REVIEW

FOR THE YEAR ENDED 2 APRIL 2011

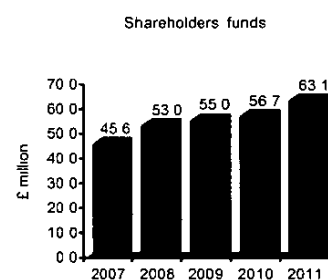
Cash flow and net debt

The company generated £15.3m of cash from operating activities which allowed investment of £12.5m on capital expenditure projects. The year end net debt position increased by £0.6m to £52.6m.



Shareholders' funds

Shareholders' funds increased in the year by £6.4m to £63.1m. £2.2m of this increase was the result of the decrease in the pension deficit.



E H BOOTH & CO LIMITED

REPORT OF THE DIRECTORS

The directors have pleasure in submitting their one hundred and fourteenth annual report, together with the audited accounts for the Group for the year ended 2 April 2011

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, amounted to £5.7m (2010 £4.9m)

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

Business review

The directors are required under the Companies Act 2006 to set out in this report a fair review of the business of the Group during the financial year ended 2 April 2011 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 on pages 6 to 8 and the Chairman's Report on pages 3 to 5

Fixed assets

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, together with regular departmental meetings held at all sites

The Group involves its employees in the running of the business through 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

Charitable donations

During the year the company made charitable donations and contributions to local community projects (including sponsorship and advertising) totalling £79,534 (2010 £82,200)

E H BOOTH & CO LIMITED

REPORT OF THE DIRECTORS

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. In order to reduce the effect of interest rate fluctuations the Group has both fixed and floating rate debt. Exposure to interest rate volatility is managed using interest rate swaps. The Group's exposure to foreign exchange movements is limited, however forward exchange contracts are entered into for major foreign currency exposures.

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 suppliers fulfil 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

The directors are responsible for preparing the Directors' Report and the accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these accounts, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts,

E H BOOTH & CO LIMITED

REPORT OF THE DIRECTORS

Directors' responsibilities (*continued*)

- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

We, the directors of the company who held office at the date of approval of these Accounts as set out above, each confirm, so far as we are aware, that

- there is no relevant audit information of which the company's auditors are unaware, and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Company status

The Company is a close company within the provisions of the Corporation Tax Act 2010.

Auditors

A resolution to re-appoint Moore and Smalley LLP as auditors for the ensuing year will be proposed at the Annual General Meeting.

This report was approved by the board on 17 August 2011 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 accounts of E H Booth & Co Limited for the year ended 2 April 2011 which comprise the Group Profit and Loss Account, the Group and Parent Company Balance Sheets, the Group Cash Flow Statement, the Group Statement of Total Recognised Gains and Losses, the Group and Parent Company Reconciliation of Movements in Shareholders' Funds and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 10 and 11, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited accounts. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts

- give a true and fair view of the state of the Group's and parent company's affairs as at 2 April 2011, and of the Group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

E H BOOTH & CO LIMITED

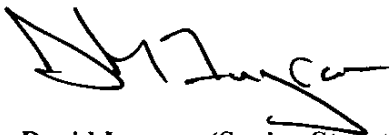
Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the accounts are prepared is consistent with the accounts

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company accounts are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



David Ingram (Senior Statutory Auditor)
For and on behalf of
Moore and Smalley LLP
Chartered Accountants & Statutory Auditor

Richard House
Winckley Square
Preston
PR1 3HP

17 August 2011

E H BOOTH & CO LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 2 APRIL 2011

	Note	2011 £'000	2010 £'000
Turnover		270,320	268,716
Cost of sales		<u>(242,312)</u>	<u>(241,062)</u>
Gross profit		28,008	27,654
Administrative expenses		<u>(19,350)</u>	<u>(18,649)</u>
		8,658	9,005
Share of operating loss of joint venture	11	(11)	(32)
Other operating income	1	<u>765</u>	<u>684</u>
Operating profit	2	9,412	9,657
Interest payable and similar charges	3	<u>(2,186)</u>	<u>(2,028)</u>
Profit on ordinary activities before exceptional item		7,226	7,629
Profit on sale of land and buildings		<u>951</u>	<u>-</u>
Profit on ordinary activities before taxation		8,177	7,629
Tax on profit on ordinary activities	6	<u>(2,436)</u>	<u>(2,697)</u>
Profit on ordinary activities after taxation	19	<u>5,741</u>	<u>4,932</u>

Continuing operations

All of the activities of the Group are classed as continuing

E H BOOTH & CO LIMITED

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 2 APRIL 2011

	2011	2010
	£'000	£'000
Profit for the financial year	5,741	4,932
Unrealised (deficit)/surplus on revaluation of investment properties	(505)	659
Actuarial gain/(loss) on pension scheme	1,678	(4,752)
Deferred tax (charge)/credit on actuarial loss	<u>(468)</u>	<u>1,330</u>
Total recognised gains and losses for the year	<u><u>6,446</u></u>	<u><u>2,169</u></u>

E H BOOTH & CO LIMITED

CONSOLIDATED BALANCE SHEET

Company No 00049933


AS AT 2 APRIL 2011

	Note	2011 £'000	2010 £'000
Fixed assets			
Intangible assets	9	2,831	3,078
Tangible assets	10	128,192	124,209
Investment in joint venture	11	<u>(43)</u>	<u>(32)</u>
		130,980	127,255
Current assets			
Stocks	13	14,241	13,164
Debtors	14	3,985	4,364
Cash at bank & in hand		<u>6,285</u>	<u>4,946</u>
		24,511	22,474
Creditors – amounts falling due within one year	15	<u>(40,946)</u>	<u>(34,805)</u>
Net current liabilities		<u>(16,435)</u>	<u>(12,331)</u>
Total assets less current liabilities		114,545	114,924
Creditors – amounts falling due after more than one year	16	<u>(45,360)</u>	<u>(49,999)</u>
		69,185	64,925
Provision for liabilities and charges	17	<u>(4,004)</u>	<u>(3,855)</u>
Net assets excluding pension liability		65,181	61,070
Pension liability	23	<u>(2,096)</u>	<u>(4,318)</u>
Net assets including pension liability		<u>63,085</u>	<u>56,752</u>
Capital and reserves			
Called up share capital	18	1,256	1,256
Revaluation reserve	19	2,581	3,086
Profit and loss account	19	<u>59,248</u>	<u>52,410</u>
Shareholders' funds	19	<u>63,085</u>	<u>56,752</u>

These accounts were approved and authorised for issue by the board on 17 August 2011



E J Booth – Director



S K Booth – Director

E H BOOTH & CO LIMITED

CONSOLIDATED CASHFLOW STATEMENT

FOR THE YEAR ENDED 2 APRIL 2011

	Note	2011 £'000	2010 £'000
Net cash inflow from operating activities	20	15,295	19,971
Returns on investments and servicing of finance			
Interest paid		(2,423)	(1,849)
Interest element of finance lease payments		<u>(2)</u>	<u>(32)</u>
Net cash outflow from returns on investments and servicing of finance		(2,425)	(1,881)
Taxation			
Corporation tax paid		(1,905)	(2,429)
Capital expenditure and financial investment			
Payments made to acquire tangible fixed assets		(12,450)	(17,664)
Receipts from sale of tangible fixed assets		<u>1,119</u>	<u>15</u>
Net cash outflow from capital expenditure and financial investment		<u>(11,331)</u>	<u>(17,649)</u>
		(366)	(1,988)
Equity dividends paid		<u>(113)</u>	<u>(452)</u>
Net cash outflow before financing		(479)	(2,440)
Financing			
Loan advances	21	4,000	15,488
Loan repayments	21	(7,011)	(6,005)
Capital element of finance lease	21	<u>(907)</u>	<u>(1,290)</u>
Net cash (outflow)/ inflow from financing		<u>(3,918)</u>	<u>8,193</u>
(Decrease)/Increase in cash	21	<u>(4,397)</u>	<u>5,753</u>

E H BOOTH & CO LIMITED

COMPANY BALANCE SHEET

Company No 00049933

AS AT 2 APRIL 2011

	Note	2011 £'000	2010 £'000
Fixed assets			
Intangible assets	9	2,831	3,078
Tangible assets	10	127,534	123,551
Investments	11	-	-
		130,365	126,629
Current assets			
Stocks	13	14,241	13,164
Debtors	14	4,607	5,020
Cash at bank & in hand		6,285	4,946
		25,133	23,130
Creditors – amounts falling due within one year	15	(40,936)	(34,803)
Net current liabilities		(15,803)	(11,673)
Total assets less current liabilities		114,562	114,956
Creditors – amounts falling due after more than one year	16	(45,360)	(49,999)
		69,202	64,957
Provision for liabilities and charges	17	(4,004)	(3,855)
Net assets excluding pension liability		65,198	61,102
Pension liability	23	(2,096)	(4,318)
Net assets including pension liability		63,102	56,784
Capital and reserves			
Called up share capital	18	1,256	1,256
Revaluation reserve	19	1,952	2,457
Profit and loss account	19	59,894	53,071
Shareholders' funds	19	63,102	56,784

These accounts were approved and authorised for issue by the board on 17 August 2011



E J Booth – Director



S K Booth – Director

E H BOOTH & CO LIMITED

ACCOUNTING POLICIES

FOR THE YEAR ENDED 2 APRIL 2011

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

Basis of consolidation

The consolidated accounts incorporate the accounts of the company, all Group undertakings for the period under its control and interests in joint ventures. These are adjusted, where appropriate, to conform to Group accounting policies. Group undertakings are accounted for under the acquisition method and goodwill arising on consolidation is capitalised and written off over 20 years from the year of acquisition. Joint ventures are accounted for within the consolidated accounts under the equity method. As a consolidated Group profit and loss account is published, a separate profit and loss account for the parent company is omitted from the consolidated accounts by virtue of section 408 of the Companies Act 2006.

Turnover

Turnover represents external sales of goods during the period net of value added tax and is based on a 52 week accounting period (2010: 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

With the exception of land, which is not depreciated, fixed assets are stated at cost less accumulated depreciation. 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
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 properties are stated on an open market value basis.

Finance leases and hire purchase agreements

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.

E H BOOTH & CO LIMITED

ACCOUNTING POLICIES *(continued)*

FOR THE YEAR ENDED 2 APRIL 2011

Operating leases

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.

Stock

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

Pensions

The Group operates a final salary pension scheme which is accounted for in accordance with FRS17 Retirement Benefits. Obligations are measured at a discounted present value and plan assets are measured at fair value. The operating and financing costs of the scheme are recognised separately in the Profit and Loss Account; the costs relating to employee service are spread over the expected service lives of employees and financing costs are recognised in the period in which they arise. Actuarial gains and losses are recognised immediately in the Statement of Total Recognised Gains and Losses.

The Group also operates a contracted-in money purchase scheme. Contributions to this scheme are charged to the Profit and Loss Account as they fall due.

Taxation

The tax expense included in the Profit and Loss Account comprises current and deferred tax.

Current tax is the amount of tax expected to be paid on the taxable profits for the year, using tax rates enacted or substantively enacted by the Balance Sheet date.

Deferred tax is provided using the Balance Sheet liability method, which provides for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is calculated using tax rates enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised.

Provision is made for tax on gains arising from the disposal of fixed assets which have been rolled over into replacement assets. No provision is made in respect of gains which have arisen from the revaluation (and similar fair value adjustments) of fixed assets.

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 after deducting all of its liabilities.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 2 APRIL 2011

1	Other operating income	2011 £'000	2010 £'000
	Net rental income	765	684
2	Operating profit		
	Operating profit is stated after charging		
	Depreciation of tangible fixed assets held under finance leases	756	1,170
	Depreciation on owned tangible fixed assets	6,926	6,459
	Amortisation of goodwill	247	248
	Loss on disposal of tangible fixed assets	112	40
	Auditor's remuneration		
	• Fees payable to the auditor for the audit of the accounts	32	31
	• Fees payable to the auditor for other services		
	- Taxation	32	68
	- Other	1	9
	Operating lease rentals of		
	• Land and buildings	1,409	1,472
	• Plant and machinery	-	18
3	Interest payable and similar charges		
	On bank loans and overdrafts	2,423	1,849
	Finance lease charges	2	32
	Net finance (credit)/charge on pension scheme assets and liabilities	(239)	147
		2,186	2,028
4	Directors' remuneration		
	Total directors' emoluments (including benefits in kind)	1,541	1,766
	Highest Paid Director – emoluments	445	544

As at 2 April 2011 the Highest Paid Director had accrued pension rights of £136,959 (2010 £84,226) and an accrued lump sum of £553,871 (2010 £340,615)

In addition, three of the other directors have retirement benefits accrued under the Group's defined benefit pension scheme

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 2 APRIL 2011

4 Directors' remuneration *(continued)*

The recent changes to pension legislation announced by the government were introduced on 6 April 2011. As a result the review process surrounding the directors' active membership of the final salary pension scheme was concluded. A payment of £440k (2010 £500k) was made to three directors in return for them ceasing to be active members of the scheme. These payments were made for the benefit of the company as well as the directors.

5	Employees	2011 £'000	2010 £'000
	Staff costs during the year amounted to		
	Wages and salaries	36,222	36,248
	Social security costs	2,486	2,347
	Other pension costs	<u>2,057</u>	<u>1,447</u>
		<u>40,765</u>	<u>40,042</u>
	Breakdown of the average number of employees	No.	No.
	Central office administration	97	92
	Selling and distribution	<u>2,996</u>	<u>2,976</u>
		<u>3,093</u>	<u>3,068</u>

6 Tax on profits on ordinary activities

(a) Analysis of tax charge in year

Current year

UK corporation tax at 28% (2010 28%)	2,174	1,917
Deferred tax charge	204	404
Deferred tax charge in respect of pension scheme	<u>386</u>	<u>372</u>
	<u>2,764</u>	<u>2,693</u>

Prior periods

UK corporation tax	(361)	(10)
Deferred tax (credit)/charge	(55)	14
Deferred tax charge in respect of pension scheme	<u>88</u>	<u>-</u>
	<u>2,436</u>	<u>2,697</u>

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 2 APRIL 2011

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

(b) Factors affecting tax charge for the year	2011 £'000	2010 £'000
The tax payable for the year differs from the standard rate of corporation tax. The differences are explained below.		
Profit on ordinary activities before taxation	8,177	7,629
UK corporation tax at the standard rate 28% (2010 28%)	2,289	2,136
Depreciation for the year in deficit of capital allowances	(261)	(650)
Disallowed depreciation on properties and other non-qualifying assets	533	768
Expenses not deductible for tax purposes	45	47
Other timing differences	(16)	(12)
Timing differences relating to movements on pension liabilities	(416)	(372)
	2,174	1,917

(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 £1,254k (2010 £1,504k).

On 23 March 2011 the Chancellor announced the reduction in the main rate of UK corporation tax rate to 26% with effect from 1 April 2011. This change was substantively enacted on 29 March 2011 and therefore the effect of the rate reduction has been reflected in the deferred tax provision in these accounts. This change will also reduce the group's future current tax charge accordingly.

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 2 APRIL 2011

7 Profit attributable to members of the parent company

The profit dealt with in the accounts of the parent company was £5,726k (2010 £5,593k)

8 Dividends	2011 £'000	2010 £'000
Year ended 3 April 2010		
Final paid at 5p per share (2010 18p per share)	63	226
Year ended 2 April 2011		
Interim paid at 4p per share (2010 18p per share)	<u>50</u>	<u>226</u>
	<u>113</u>	<u>452</u>

A dividend of 19p per share has been proposed after the year end (2010 5p per share)

9 Intangible fixed assets	Goodwill £'000
Group and Company	
Cost	
At 4 April 2010 and 2 April 2011	<u>4,953</u>
Amortisation	
At 4 April 2010	1,875
Charge for the year	<u>247</u>
At 2 April 2011	<u>2,122</u>
Net book value	
At 2 April 2011	<u>2,831</u>
At 3 April 2010	<u>3,078</u>

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 2 APRIL 2011

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 4 April 2010	94,867	3,208	74,791	6,237	179,103
Additions	3,965	-	8,452	33	12,450
Disposals	(222)	-	(2,633)	(60)	(2,915)
Transfers	82	-	(82)	-	-
Revaluation	-	(505)	-	-	(505)
At 2 April 2011	98,692	2,703	80,528	6,210	188,133
Depreciation					
At 4 April 2010	12,893	-	37,091	4,910	54,894
Charge for the year	1,232	-	5,694	756	7,682
Transfers	2	-	(2)	-	-
On disposals	(65)	-	(2,510)	(60)	(2,635)
At 2 April 2011	14,062	-	40,273	5,606	59,941
Net book value					
At 2 April 2011	84,630	2,703	40,255	604	128,192
At 3 April 2010	81,974	3,208	37,700	1,327	124,209
Net book value of land and buildings and investment properties comprises					
				2011 £'000	2010 £'000
Freehold				73,122	70,726
Long leasehold (more than 50 years unexpired)				14,211	14,456
				87,333	85,182
Non-depreciating assets included in land and buildings					
Freehold				27,393	26,951
Long leasehold (more than 50 years unexpired)				6,645	6,658
				34,038	33,609

Investment properties held at 2 April 2011 consist of three properties, which were revalued at, 27 January 2010, 3 April 2010 and 9 March 2011, by Robert Pinkus and Co. Chartered Surveyors. The directors do not consider that there has been a material change in value of these properties up to the balance sheet date. On the historical cost basis the net book value of investment properties is £123,139 (2010 £123,139).

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 2 APRIL 2011

10 Tangible fixed assets *(continued)*

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 4 April 2010	94,867	2,550	74,791	6,237	178,445
Additions	3,965	-	8,452	33	12,450
Disposals	(222)	-	(2,633)	(60)	(2,915)
Transfers	82	-	(82)	-	-
Revaluation	-	(505)	-	-	(505)
At 2 April 2011	98,692	2,045	80,528	6,210	187,475
Depreciation					
At 4 April 2010	12,893	-	37,091	4,910	54,894
Charge for the year	1,232	-	5,694	756	7,682
Transfers	2	-	(2)	-	-
On disposals	(65)	-	(2,510)	(60)	(2,635)
At 2 April 2011	14,062	-	40,273	5,606	59,941
Net book value					
At 2 April 2011	84,630	2,045	40,255	604	127,534
At 3 April 2010	81,974	2,550	37,700	1,327	123,551

Net book value of land and buildings and investment properties comprises

	2011 £'000	2010 £'000
Freehold	72,464	70,068
Long leasehold (more than 50 years unexpired)	14,211	14,456
	86,675	84,524
Non-depreciating assets included in land and buildings		
Freehold	27,393	26,951
Long leasehold (more than 50 years unexpired)	6,645	6,658
	34,038	33,609

Investment properties held at 2 April 2011 consist of two properties, which were revalued at 3 April 2010 and 9 March 2011, by Robert Pinkus and Co, Chartered Surveyors. The directors do not consider that there has been a material change in value of these properties up to the balance sheet date. On the historical cost basis the net book value of investment properties is £93,108 (2010 £93,108).

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 2 APRIL 2011

11 Investments

Group

Investment in joint venture

The share of assets, liabilities, revenue and loss of the joint venture, which are included in the Group accounts, are as follows

	2011	2010
	£'000	£'000
Share of gross assets	1,150	1,941
Share of gross liabilities	(1,193)	(1,973)
Share of net worth	(43)	(32)
Share of turnover	2,075	-
Share of operating loss	(11)	(32)
Share of loss after taxation	(11)	(32)

Company

Investment in joint venture

On 9 December 2008, the company invested £100, to acquire 50% of the share capital of Booths (Penrith) Ltd, a property development company, under a joint venture arrangement. As the year end for the joint venture falls on 31 December, interim accounts have been prepared for Group reporting purposes to the Group's year end date. The Group's share of the loss for the period and its share of its net worth at 2 April 2011 have been incorporated in the Group accounts under the equity method. Amounts owed at the year end are disclosed within the debtors note as 'Amounts owed by related undertaking'.

Investment in group undertakings

On 6 January 2010, the company invested £1, to acquire 100% of the share capital of Booths (Lytham) Ltd, a property investment company. The subsidiary has been incorporated in the Group accounts under the acquisition method.

On 23 November 2010, the company invested £1, to acquire 100% of the share capital of Booths (St Annes) Ltd, the company has remained dormant since its incorporation. The subsidiary has been incorporated in the Group accounts under the acquisition method.

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 2 APRIL 2011

12	Capital commitments	Group and Company			
		2011	2010		
		£'000	£'000		
	In addition to the liabilities incorporated in the accounts, the Group had the following contracted commitments	8,162	4,100		
13	Stocks	Group and Company			
		2011	2010		
		£'000	£'000		
	Goods for resale	14,241	13,164		
14	Debtors	Group		Company	
		2011	2010	2011	2010
		£'000	£'000	£'000	£'000
	Other debtors	37	-	37	-
	Prepayments and accrued income	2,975	2,185	2,936	2,180
	Amounts owed by related undertaking	973	2,179	973	2,179
	Amounts owed by group undertaking	-	-	661	661
		3,985	4,364	4,607	5,020
15	Creditors – amounts falling due within one year	Group		Company	
		2011	2010	2011	2010
		£'000	£'000	£'000	£'000
	Bank overdraft	5,846	110	5,846	110
	Bank loans	7,315	6,007	7,315	6,007
	Trade creditors	23,350	22,512	23,350	22,512
	Corporation tax	579	671	572	671
	Other taxes and social security costs	1,145	1,972	1,145	1,972
	Finance leases	319	906	319	906
	Directors' current accounts	215	296	215	296
	Accruals	2,165	2,319	2,162	2,317
	Preference shares	12	12	12	12
		40,946	34,805	40,936	34,803

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 2 APRIL 2011

16	Creditors – amounts falling due after more than one year	Group and Company	
		2011 £'000	2010 £'000
	Bank loans repayable by instalments:		
	Repayable within two years	15,385	5,299
	Repayable between two and five years	24,130	22,577
	Repayable after five years	<u>5,610</u>	<u>21,568</u>
		45,125	49,444
	Finance leases repayable by instalments:		
	Repayable within two years	184	320
	Repayable between two and five years	51	235
	Repayable after five years	<u>-</u>	<u>-</u>
		45,360	49,999

The loans repayable after more than five years are due in instalments over the next seven years (2010 ten years) Instalments are payable at a rate of £464,313 per month (2010 £371,010 per month)

Bank loans are secured against specific properties and other assets These bear interest at between 0.75% to 1% over National Westminster Bank base rate and 1.75% to 2.50% over LIBOR

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

17 Provision for liabilities and charges

Deferred taxation	Group		Company	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Balance brought forward	3,855	3,437	3,855	3,437
Movement to the profit and loss account	<u>149</u>	<u>418</u>	<u>149</u>	<u>418</u>
Balance carried forward	<u>4,004</u>	<u>3,855</u>	<u>4,004</u>	<u>3,855</u>
The deferred taxation provision represents				
Accelerated capital allowances	3,573	3,479	3,573	3,479
Other timing differences	<u>431</u>	<u>376</u>	<u>431</u>	<u>376</u>
	<u>4,004</u>	<u>3,855</u>	<u>4,004</u>	<u>3,855</u>

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 2 APRIL 2011

18 Share Capital

	Group and Company			
	Authorised		Allotted and fully paid	
	2011	2010	2011	2010
	£'000	£'000	£'000	£'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

19 Reconciliation of shareholders' funds and movement in reserves

Group	Share capital £'000	Revaluation reserve £'000	Profit & loss account £'000	Total £'000
At 5 April 2009	1,256	2,427	51,352	55,035
Profit for the year	-	-	4,932	4,932
Revaluation this year	-	659	-	659
Dividends	-	-	(452)	(452)
Actuarial loss relating to pension scheme	-	-	(4,752)	(4,752)
Deferred tax movement associated with actuarial loss	-	-	1,330	1,330
At 3 April 2010	1,256	3,086	52,410	56,752
Profit for the year	-	-	5,741	5,741
Revaluation this year	-	(505)	-	(505)
Dividends	-	-	(113)	(113)
Actuarial gain relating to pension scheme	-	-	1,678	1,678
Deferred tax movement associated with actuarial gain	-	-	(468)	(468)
At 2 April 2011	1,256	2,581	59,248	63,085

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 2 APRIL 2011

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

Attributable to:	2011 £'000	2010 £'000		
Equity shareholders	63,085	56,752		
The effect of recognising the FRS 17 pension liability on the Group's profit and loss account is as follows				
Profit and loss account excluding pension liability	61,344	56,728		
Pension liability	(2,096)	(4,318)		
Profit and loss account including pension liability	59,248	52,410		
Company	Share capital £'000	Revaluation reserve £'000	Profit & loss account £'000	Total £'000
At 5 April 2009	1,256	2,427	51,352	55,035
Profit for the year	-	-	5,593	5,593
Revaluation this year	-	30	-	30
Dividends	-	-	(452)	(452)
Actuarial loss relating to pension scheme	-	-	(4,752)	(4,752)
Deferred tax movement associated with actuarial loss	-	-	1,330	1,330
At 3 April 2010	1,256	2,457	53,071	56,784
Profit for the year	-	-	5,726	5,726
Revaluation this year	-	(505)	-	(505)
Dividends	-	-	(113)	(113)
Actuarial gain relating to pension scheme	-	-	1,678	1,678
Deferred tax movement associated with actuarial gain	-	-	(468)	(468)
At 2 April 2011	1,256	1,952	59,894	63,102

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 2 APRIL 2011

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

Attributable to:	2011 £'000	2010 £'000
Equity shareholders	63,102	56,784
The effect of recognising the FRS 17 pension liability on the Company's profit and loss account is as follows		
Profit and loss account excluding pension liability	61,990	57,389
Pension liability	(2,096)	(4,318)
Profit and loss account including pension liability	59,894	53,071

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

20	Reconciliation of operating profit to net cash inflow from operating activities	2011 £'000	2010 £'000
	Operating profit	9,412	9,657
	Amortisation	247	248
	Depreciation	7,682	7,629
	Loss on disposal of tangible fixed assets	112	40
	Pension contributions paid in excess of current year service cost	(1,247)	(1,476)
	Decrease in investments in joint venture	11	32
	Increase in stocks	(1,077)	(860)
	Decrease in debtors	379	4,847
	Decrease in creditors	(224)	(146)
		15,295	19,971

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 2 APRIL 2011

21	Reconciliation of net cash flow to movement in net debt	2011	2010
		£'000	£'000
	(Decrease)/Increase in cash in the period	(4,397)	5,753
	Cashflow from debt and lease financing	3,918	(8,193)
	New finance leases	-	-
	Change in net debt in the period	(479)	(2,440)
	Net debt at 4 April 2010	(52,088)	(49,648)
	Net debt at 2 April 2011	(52,567)	(52,088)

22 Analysis of changes in net debt

	At 4 April 2010 £'000	Cash flows £'000	Other changes £'000	At 2 April 2011 £'000
<i>Net Cash</i>				
Cash at bank & in hand	4,946	1,339	-	6,285
Bank overdraft	(110)	(5,736)	-	(5,846)
	4,836	(4,397)	-	439
<i>Debt</i>				
Preference shares	(12)	-	-	(12)
Loans due within one year	(6,007)	7,011	(8,319)	(7,315)
Loans due after one year	(49,444)	(4,000)	8,319	(45,125)
Finance leases due within one year	(906)	907	(320)	(319)
Finance leases due after one year	(555)	-	320	(235)
	(56,924)	3,918	-	(53,006)
<i>Total</i>	(52,088)	(479)	-	(52,567)

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 2 APRIL 2011

23 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 and held separately in a segregated fund. The latest triennial actuarial valuation of the scheme was carried out as at 6 April 2009 by an independent actuary. The scheme has been closed to employees joining the Group on or after 1 October 2004. Employees joining the Group after that date, if eligible, are invited to join a defined contribution scheme.

During the year the employer standard contribution rate was 9.1% of pensionable salaries and the employee rate was 9.0% of pensionable salary. In addition the employer contributed the annual cost of the Pension Protection Fund levy, insurance premiums and administrative expenses. Also as part of the deficit recovery plan, following the last triennial funding valuation, the employer has made monthly recovery plan payments of £79,000, with effect from April 2010 to March 2011. The agreed recovery plan provides for these deficit contributions to increase by 2.8% per annum from April 2011 to March 2020.

In addition to the above the employer operates a scheme to enable employees to enter into salary sacrifice arrangements whereby the employer shall pay additional contributions to the scheme which are equal to the contributions which the member would have paid had he or she not entered into the salary sacrifice arrangement. During the year the amount paid into the scheme under this arrangement was £635,206 (2010: £624,927).

In 2011/12, the company expects to contribute £2,700,000, excluding reimbursement of administration and professional costs, assuming £331,000 actual member contributions into the scheme.

Balance sheet liability

The principal assumptions used for the FRS 17 actuarial valuation were

	2011	2010
	%	%
Expected return on scheme assets	6.80	6.90
Rate of increase in salaries	4.00	4.00
Rate of increase in deferred pensions	3.00	3.50
Rate of increase in pensions in payment	3.50	3.50
Discount rate	5.60	5.50
Inflation assumption	3.50	3.50

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 2 APRIL 2011

23 Pensions *(continued)*

The fair value of the assets in the scheme and the present value of liabilities in the scheme at each balance sheet date were

	2011	2010
	£'000	£'000
Secured pension assets	3,262	3,587
Equities	19,034	16,242
Bonds	13,359	12,738
Hedge Funds	7,828	6,800
OIECS – convertible bonds	6,942	6,399
Cash	945	263
Other	119	115
Total fair value of assets	51,489	46,144
Present value of scheme liabilities	(54,322)	(52,141)
Deficit in the scheme	(2,833)	(5,997)
Related deferred tax asset	737	1,679
Net pension liability	(2,096)	(4,318)

The deferred tax element related to the pension scheme has been netted off against the pension liability and its movement for the year was as follows

	2011	2010
	£'000	£'000
Balance brought forward	1,679	721
Movement to the P&L account	(474)	(372)
Movement to the STRGL	(468)	1,330
Balance carried forward	737	1,679

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 2 APRIL 2011

23 Pensions *(continued)*

	2011 £'000	2010 £'000
Changes in the fair value of scheme assets are as follows:		
Opening fair value of scheme assets	46,144	37,608
Expected return on assets	3,269	2,571
Gain on asset return	528	5,133
Employer contributions (gross)	3,053	2,780
Death in service insurance premiums paid	(122)	(89)
Expenses paid by scheme	(214)	(126)
Employee contributions	331	333
Change in secured pensioner value due to mortality experience and change in assumptions	(512)	(371)
Transfer values paid into the scheme	13	-
Benefits paid	<u>(1,001)</u>	<u>(1,695)</u>
Closing fair value of scheme assets	51,489	46,144
Changes in the present value of scheme liabilities are as follows:		
Opening present value of scheme liabilities	(52,141)	(40,182)
Current accrual cost	(1,801)	(1,422)
Interest cost	(3,030)	(2,718)
Experience loss on liabilities	(413)	(535)
Gain/(Loss) on changes in assumptions	1,563	(9,350)
Change in secured pensioner value due to mortality experience and change in assumptions	512	371
Transfer values paid into the scheme	(13)	-
Benefits paid	<u>1,001</u>	<u>1,695</u>
Closing present value of scheme liabilities	(54,322)	(52,141)
Changes in the scheme deficit are as follows:		
Opening deficit in the scheme	(5,997)	(2,574)
Current service cost	(1,592)	(1,178)
Expected return on assets	3,269	2,571
Interest cost	(3,030)	(2,718)
Actuarial gain/(loss)	1,678	(4,752)
Employer contributions (gross)	3,053	2,780
Expenses paid by scheme	<u>(214)</u>	<u>(126)</u>
Closing deficit in the scheme	(2,833)	(5,997)

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 2 APRIL 2011

23	Pensions <i>(continued)</i>				
	Analysis of the charge/(credit) recognised in the Profit & Loss account under FRS17:	2011 £'000	2011 £'000	2010 £'000	2010 £'000
	Current service cost		(1,592)		(1,178)
	Expenses paid by scheme		<u>(214)</u>		<u>(126)</u>
			(1,806)		(1,304)
	Interest on pension scheme liabilities	(3,030)		(2,718)	
	Expected return on pension scheme assets	<u>3,269</u>		<u>2,571</u>	
	Net finance charge/(credit)		<u>239</u>		<u>(147)</u>
			(1,567)		(1,451)
			<u></u>		<u></u>
	Analysis of the actuarial gain/(loss) recognised in the Statement of Total Recognised Gains and Losses under FRS17:				
	Gain on asset return		528		5,133
	Experience loss on liabilities		(413)		(535)
	Gain/(Loss) on changes in assumptions		<u>1,563</u>		<u>(9,350)</u>
			1,678		(4,752)
			<u></u>		<u></u>
	Historical amounts for current and previous four periods:				
		2011 £'000	2010 £'000	2009 £'000	2008 £'000
	Fair value of scheme assets	51,489	46,144	37,608	41,242
	Present value of scheme liabilities	(54,322)	(52,141)	(40,182)	(41,913)
	Deficit	(2,833)	(5,997)	(2,574)	(671)
	Experience (loss)/gain on scheme liabilities	(413)	(535)	(1,112)	1,394
		<u></u>	<u></u>	<u></u>	<u></u>

A deed of security is in place in favour of the pension scheme, which can be exercised in the event of a default by the company

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 2 APRIL 2011

23 Pensions *(continued)*

Defined Contribution Scheme

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

Total contributions paid in the year were £251,317 (2010 £142,410)

24 Operating lease commitments

At 2 April 2011 the Group had minimum annual commitments under non-cancellable operating leases as follows

	2011 £'000 Land and buildings	2011 £'000 Other items	2010 £'000 Land and buildings	2010 £'000 Other items
Commitments expiring within one year	41	-	-	-
Commitments expiring within 2-5 years	-	-	41	-
Commitments expiring after more than 5 years	<u>1,368</u>	<u>-</u>	<u>1,313</u>	<u>-</u>
	<u>1,409</u>	<u>-</u>	<u>1,354</u>	<u>-</u>