

E H BOOTH & CO LIMITED
DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED
31 MARCH 2012

TUESDAY



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COMPANIES HOUSE

E H BOOTH & CO LIMITED

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E H BOOTH & CO LIMITED

COMPANY DETAILS

Directors	H M Booth, MBE (Deceased 20 May 2012) E J Booth, DL (Chairman) S K Booth D G Booth C J Dee (Appointed 22 February 2012) 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 Lloyds TSB 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 12 September 2012 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 2012
- 3 To confirm the payment of the interim dividend paid on 30 March 2012
- 4 To declare a final dividend
- 5 To re-elect Mr D G Booth and Mr C J Dee 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 11 July 2012

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

It is with great sadness that I record the loss of Mr Michael in May this year. He will be remembered for his loyal support of our business and his particular interest in innovation. Mr Michael was also involved in a great number of activities to support disadvantaged people throughout the Preston area and in this regard characterised the way in which Booths goes about its business. In his later years, he made a supreme effort to attend the business and support the Board of Directors.

In February we welcomed Mr Chris Dee to become a member of the family board. He joined the business as wine buyer in 1995 and has served on the Operating Board since 1998 taking roles in Marketing, IT and most recently as Trading Director. Chris performs the role of Chief Operating Officer responsible for trading strategy and day to day operations.

Trading

Undoubtedly, this trading period has been difficult for the majority of businesses throughout the United Kingdom and our sales growth at 1.2% is modest. An increasing number of consumers have exercised restraint in their buying habits which has spawned an even more intense degree of competition throughout the grocery industry. Our operating profit at £9.6M has reduced by comparison with the previous year due to pressure on trading margins, increased business rates and one-off refinancing costs of over £1M which in turn delivered £37M of additional new borrowing facilities to the business. The figure is however supported by a gain on the Booths Penrith joint venture of £920K and a profit of £1.25M on the release of the covenant on the Queen Street property.

The amount of merchandise sold on promotion is now regularly in excess of 24% and with consumers buying the majority of their household requirements on deal, we are challenged to secure increased margins on these goods. In order to facilitate this we have worked to automate a number of buying processes to release more time for our buyers to negotiate. During the year, we simplified our range of ambient products to ensure that our offer was more relevant to market demands and easier to shop. This exercise is now producing good results and an improved margin mix.

Following the success of producing fresh sandwiches at Media City, we have now rolled these out to more stores and Salads and Pizzas have been added to the range. These products are produced to very high quality standards and they will continue to be developed in the future. In conjunction with our partner, "Slow Food", we started a project to put a number of "Forgotten Foods" back onto the market. This exercise has engaged the Board directly with buyers and we have already launched a number of delicious foods such as York Ham and Damson Cheese which have been very well received by our customers. This campaign has attracted significant press coverage including a four page article in the Observer magazine and a BBC online news feature which received over 1.2 million hits.

In the area of social media, we have been cited as the Number 1 Supermarket for engagement with customers on Twitter and Facebook and our following continues to grow. It is increasingly important that we develop our understanding of this modern medium in order to build a dialogue with both existing customers and people who are new to our brand.

We have made a conscious decision to develop increased authority in the retailing of food and drink and we are going to express this with strong and attractive branding. Our new style of presentation at both MediaCityUK and Penrith has been very well received and is in the process of being rolled out to the entire estate. The brand "refresh" underscores Booths as a special place to shop and sets us apart from our competitors.

E H BOOTH & CO LIMITED

CHAIRMAN'S REPORT *(continued)*

Our Retail team has formed the "Efficiencies Group" whose primary aim is to ensure that we adopt the most efficient operating methods and disseminate these throughout the stores. To date the results have been impressive and there will be further progress which will have a positive impact in the new financial year.

Property & Store Developments

In October 2011 we opened our new store at MediaCityUK in Salford to great acclaim. This was the first store to be presented with the new brand imagery and it has already attracted a lot of attention, both within and outside the Manchester area. The shopping dynamic is very different from any that we have experienced hitherto and we are building a solid franchise serving the working population on the Quays. Four weeks later, in November 2011, we opened our doors at Penrith and again this store displayed the new branding and an innovative approach to layout. There is a strong emphasis on Booths' product strengths and we believe that it will become an important destination for food and drink enthusiasts in north Cumbria.

Construction work at Milnthorpe is now well advanced and the shop-fitters have moved in. We expect to open in November 2012. This new store is in Booths heartland and we are looking forward to engaging with local communities in the area.

Over the years, Booths customers have expected a full and comprehensive range at all of the Booths stores, regardless of size. We have recently reappraised our store estate with a view to providing as many facilities as are practical at smaller stores and so far this has been very well received.

We are using our joint venture company with Maple Grove Developments Ltd, with a view to purchasing the Teanlowe Shopping Centre at Poulton-le-Fylde where we plan to construct a large, modern Booths to replace the premises on Ball Street. There are many new development opportunities available to us but we are being prudent in bringing these forward at a rate that bears due relationship to our trading performance. There are many factors outside our direct control which we are monitoring from day to day and which are already having a material impact on consumer behaviour. Booths, however, will become an increasingly attractive place to shop over the next year and our selling proposition will be further differentiated from those with whom we compete in addition to ensuring that our pricing remains competitive.

Catering

The catered offer throughout our business has received a great deal of attention over the past year. In taking learnings from the two Artisan Restaurants, we have designed an in-store offer under the banner "Booths Café". Not only is the quality enhanced but the model is also more profitable and we will work to roll out this new concept in parallel with the new branding.

Web Services

During the year, everywine.co.uk was closed, despite the sterling efforts of the team to deliver a satisfactory level of performance. The Board decided that the business should concentrate all its efforts on the core grocery offer but I should pay some tribute to those who worked tirelessly over so many years to create a unique offering within the United Kingdom web space. The business has learnt a great deal from this exercise and we are continuing to develop trading relationships with our customers over the internet. In December 2011, we presented special Christmas lines on the web and were successful in attracting a dramatic increase in pre-orders which were made available on a "click & collect" basis. This will be further developed during the present financial year and we are also working in the background to identify new opportunities for sales growth.

CHAIRMAN'S REPORT *(continued)*

The Booths website has now been re-launched and has also been modified to appear in a workable format on hand-held devices. In conjunction with this work, a special website has been developed for supplier contact and we believe that this will eradicate the many issues that suppliers have had with trying to present new products for appraisal.

Human Resources

The Human Resources team is now very influential in supporting business processes throughout the company and this also extends to the way in which the Operating Board is addressing both business needs and developments in support of our 5-year strategy. The quality of working environments and individual performance throughout the business is receiving a lot of attention and this will underpin greater achievements in the future.

Information Technology – Supply Control

The warehouse management system has now been replaced with one that allows for greater ease of use and future flexibility. Essential data connections to stores have been improved which in turn have increased service levels for customers. The Supply Control team has been overhauled and extended, increasing their remit by replacing time-consuming manual processes at stores with centralised management. This is now providing a more consistent and efficient supply/replenishment chain and although this is a big change in culture, it will underpin our desire to provide absolute consistency in our approach to stock and order processes as we continue to develop new stores.

Responsible Business

We have now produced our third report into greenhouse gas emissions which will shortly be uploaded onto our website. This clearly illustrates the work that goes on behind the scenes to not just reduce emissions but of course the cost of operating our business. As far as possible, we encourage our service providers and suppliers upstream of our activities to become as environmentally efficient as is reasonably possible. Short of being a responsible “nice to have” the reduction of emissions has, for the most part, provided Booths with reduced operating costs.

The “Harris Young Musicians of the Guild” Music Competition has now been held for both Choirs and Instrumentalists. This was a great success and showcased young talent from throughout Lancashire. In addition, Booths has provided financial support for the construction of the “Guild Wheel”. This has been a project to provide a lasting legacy of the Preston Guild 2012 and has provided the means by which both cyclists and walkers can circumnavigate the city on a 21 mile route which wends its way through both countryside and areas of historic interest. Booths remain a supporter of The Princes Countryside Fund and I have the privilege of serving as a member of the Trustee body. Since its inception, the fund has provided in excess of £1M towards encouraging farming communities and particularly young people to consider apprenticeships on hill farms. There is also a strand of support which is directed towards educating young people in the city areas so that they gain a clearer understanding of the relationship between the countryside, towns and cities.

The business has continued to work with Business in the Community to support the Ashton Community Science College in Preston and, in addition, we are developing a direct relationship with the Ullswater College at Penrith.

E H BOOTH & CO LIMITED

CHAIRMAN'S REPORT *(continued)*

Financial Year 2012/13

We now know that it is almost impossible to determine with reasonable accuracy the way in which both the World and United Kingdom economies will impact on business over the next twelve months. We are, however, getting our heads down to developing an increasingly efficient Booths and one which will remain attractive to customers who seek out great food and drink at a reasonable price. I believe that the service levels offered throughout our company are second to none in our industry and this is valued by customers from far and wide. There is now a particular call to action in ensuring that our business performs to the optimum and the Directors and I recognise the supreme effort that so many people throughout our enterprise have put in to making Booths a special place to shop.

A handwritten signature in black ink, appearing to be 'E J Booth', written in a cursive style.

E J Booth – Chairman

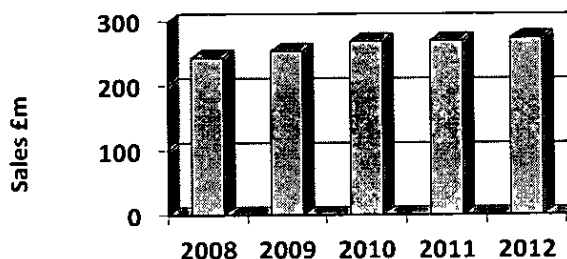
E H BOOTH & CO LIMITED

BUSINESS REVIEW

FOR THE YEAR ENDED 31 MARCH 2012

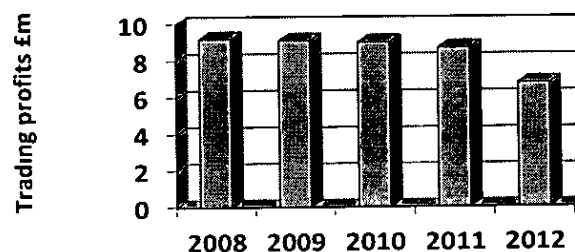
Sales

Considering the challenging economic climate of the past 12 months the Company is able to report a solid increase in turnover with sales, excluding VAT, increasing by £3.3m to £273m. New stores opened during the year at Media City and Penrith were the main contributing factors to the increase.



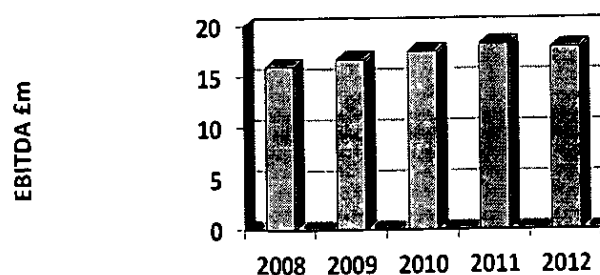
Trading profits

Trading profits fell during the year by 22% to £6.8m. A focus on delivering a value for money offering to our customers led to an inevitable squeeze on margins. However, considerable progress was made on reducing our cost base, particularly with employment costs.



EBITDA – including property profit

Earnings before Interest, Tax, Depreciation and Amortisation for the year amount to £17.9m, which is £423k or 2.3% down on last year. Profits generated from property related transactions at £2.8m were 65% up on last year, with the income from the Booths Penrith joint venture development contributing £920k and the consideration for the release of a covenant at Queens Street accounting for £1.2m.



E H BOOTH & CO LIMITED

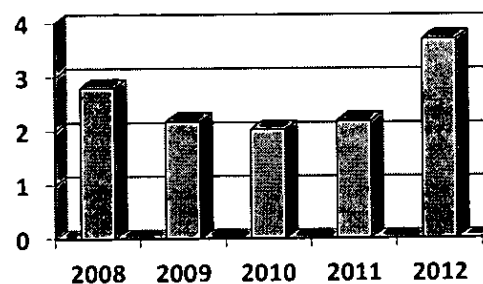
BUSINESS REVIEW

FOR THE YEAR ENDED 31 MARCH 2012

Interest payable & similar charges

Interest and related charges increased by £1.5m to £3.7m. A refinancing exercise, securing funds for the ongoing store development program, was completed during the year, resulting in one off costs of £1.2m. There was an increase of £0.2m in interest costs, reflecting the slightly higher debt levels of the Company during the year.

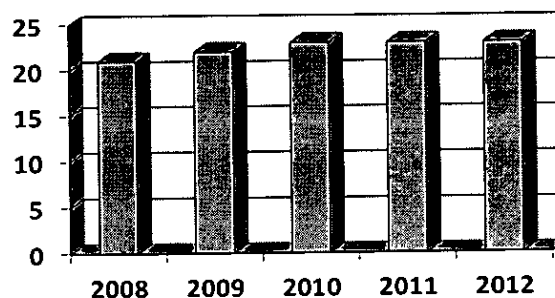
Interest Payable & Similar Charges £m



Dividends paid

Total dividend for the year is to be maintained at 23p, comprising an interim dividend of 4p and a final dividend to be confirmed of 19p.

Dividends paid pence



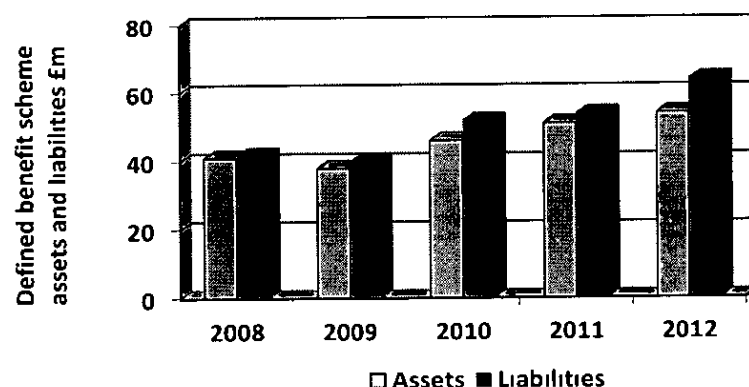
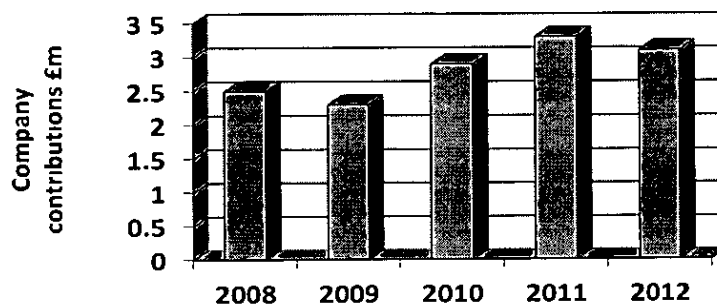
E H BOOTH & CO LIMITED

BUSINESS REVIEW

FOR THE YEAR ENDED 31 MARCH 2012

Company pension contributions

The cash contribution paid by the company in respect of defined benefit pension costs amounted to £2.8m, down from £3.1m last year. The cessation of three directors as active members of the defined benefit pension scheme accounted for most of the reduction. The pension scheme assets have increased in value by 5.4%. However due to poor gilts yields the liabilities have increased by 17%, meaning that the deficit stands at £9.3m. The next formal actuarial valuation of the scheme will take place as at 31st March 2012. Contributions to the defined contribution scheme increased by £21k during the year to £271k.



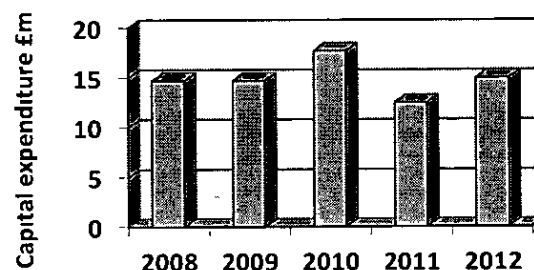
E H BOOTH & CO LIMITED

BUSINESS REVIEW

FOR THE YEAR ENDED 31 MARCH 2012

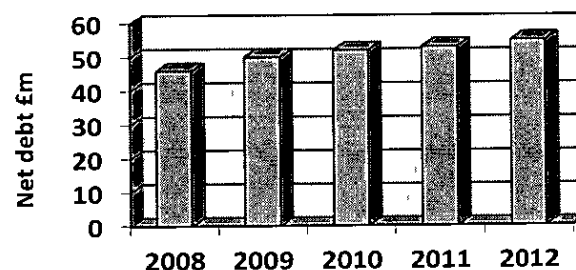
Capital expenditure

Spending on capital during the year amounted to £15m, with two new stores opened in Media City and Penrith. Significant refurbishments were also undertaken at two stores, with another store being extended.



Net debt

In September 2011 the company refinanced its existing borrowings of £56m and secured additional funding of £37m. The funding was secured for 5 years and £25m is currently unutilised.



E H BOOTH & CO LIMITED

REPORT OF THE DIRECTORS

The directors have pleasure in submitting their one hundred and fifteenth annual report, together with the audited accounts for the Group for the year ended 31 March 2012

Principal activity

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

Results and dividends

The Group profit for the year, after taxation, amounted to £4.2m (2011 £5.7m)

Particulars of dividends paid and proposed are detailed in note 9 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 31 March 2012 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 7 to 10 and the Chairman's Report on pages 3 to 6

Fixed assets

As disclosed in note 11, 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 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 Group made charitable donations and contributions to local community projects (including sponsorship and advertising) totalling £126,003 (2011 £79,534)

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 Group and the profit or loss of the Group 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 Group will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

We, the directors of the Group who held office at the date of approval of these Accounts as set out on page 1 each confirm, so far as we are aware, that

- there is no relevant audit information of which the Group'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 Group's auditors are aware of that information.

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 11 July 2012 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 2012 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 12 and 13, 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 31 March 2012, 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

E H BOOTH & CO LIMITED

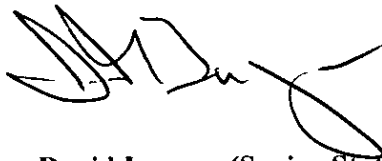
Opinion on other matters prescribed by the Companies Act 2006

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

27 July 2012

E H BOOTH & CO LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2012

	Note	2012 £'000	2011 £'000
Turnover	1	273,614	270,320
Cost of sales		<u>(249,223)</u>	<u>(242,312)</u>
Gross profit		24,391	28,008
Administrative expenses		<u>(17,598)</u>	<u>(19,350)</u>
		6,793	8,658
Profit on property interests	2	<u>2,806</u>	<u>1,705</u>
Operating profit	3	9,599	10,363
Interest payable and similar charges	4	<u>(3,709)</u>	<u>(2,186)</u>
Profit on ordinary activities before taxation		5,890	8,177
Tax on profit on ordinary activities	7	<u>(1,710)</u>	<u>(2,436)</u>
Profit on ordinary activities after taxation	20	<u>4,180</u>	<u>5,741</u>

Continuing operations

All of the activities of the Group are classed as continuing

E H BOOTH & CO LIMITED

GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 MARCH 2012

	Note	2012 £'000	2011 £'000
Profit for the financial year		4,180	5,741
Unrealised (deficit)/surplus on revaluation of investment properties		-	(505)
Actuarial (loss)/gain on pension scheme	24	(7,652)	1,678
Deferred tax credit/(charge) on actuarial (loss)/gain		<u>1,837</u>	<u>(468)</u>
Total recognised gains and losses for the year		<u>(1,635)</u>	<u>6,446</u>

E H BOOTH & CO LIMITED**GROUP BALANCE SHEET**

Company No 00049933

AS AT 31 MARCH 2012

	Note	2012 £'000	2011 £'000
Fixed assets			
Intangible assets	10	3,010	2,831
Tangible assets	11	134,656	128,192
Investment in joint venture	12	635	(43)
		138,301	130,980
Current assets			
Stocks	14	14,390	14,241
Debtors	15	3,501	3,985
Cash at bank & in hand		6,884	6,285
		24,775	24,511
Creditors – amounts falling due within one year	16	(35,491)	(40,946)
Net current liabilities		(10,716)	(16,435)
Total assets less current liabilities		127,585	114,545
Creditors – amounts falling due after more than one year	17	(55,450)	(45,360)
		72,135	69,185
Provision for liabilities and charges	18	(3,885)	(4,004)
Net assets excluding pension liability		68,250	65,181
Pension liability	24	(7,089)	(2,096)
Net assets including pension liability		61,161	63,085
Capital and reserves			
Called up share capital	19	1,256	1,256
Revaluation reserve	20	2,581	2,581
Profit and loss account	20	57,324	59,248
Shareholders' funds	20	61,161	63,085

These accounts were approved and authorised for issue by the board on 11 July 2012

E J Booth – Director



S K Booth – Director



E H BOOTH & CO LIMITED

GROUP CASHFLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2012

	Note	2012 £'000	2011 £'000
Net cash inflow from operating activities	21	16,438	15,295
Returns on investments and servicing of finance			
Interest paid		(3,864)	(2,423)
Interest element of finance lease payments		(3)	(2)
Net cash outflow from returns on investments and servicing of finance		(3,867)	(2,425)
Taxation			
Corporation tax paid		(856)	(1,905)
Capital expenditure and financial investment			
Payments made to acquire intangible fixed assets		(498)	-
Payments made to acquire tangible fixed assets		(14,480)	(12,450)
Receipts from sale of property interests and tangible fixed assets		1,229	1,119
Net cash outflow from capital expenditure and financial investment		(13,749)	(11,331)
		(2,034)	(366)
Equity dividends paid		(289)	(113)
Net cash outflow before financing		(2,323)	(479)
Financing			
Loan advances	23	61,000	4,000
Loan repayments	23	(54,290)	(7,011)
Capital element of finance lease	23	(554)	(907)
Net cash inflow/(outflow) from financing		6,156	(3,918)
Increase/(Decrease) in cash	23	3,833	(4,397)

E H BOOTH & CO LIMITED

COMPANY BALANCE SHEET

Company No 00049933

AS AT 31 MARCH 2012

	Note	2012 £'000	2011 £'000
Fixed assets			
Intangible assets	10	3,010	2,831
Tangible assets	11	133,998	127,534
Investments	12	-	-
		<u>137,008</u>	<u>130,365</u>
Current assets			
Stocks	14	14,390	14,241
Debtors	15	4,093	4,607
Cash at bank & in hand		<u>6,883</u>	<u>6,285</u>
		25,366	25,133
Creditors – amounts falling due within one year	16	<u>(35,476)</u>	<u>(40,936)</u>
Net current liabilities		<u>(10,110)</u>	<u>(15,803)</u>
Total assets less current liabilities		126,898	114,562
Creditors – amounts falling due after more than one year	17	<u>(55,450)</u>	<u>(45,360)</u>
		71,448	69,202
Provision for liabilities and charges	18	<u>(3,885)</u>	<u>(4,004)</u>
Net assets excluding pension liability		67,563	65,198
Pension liability	24	<u>(7,089)</u>	<u>(2,096)</u>
Net assets including pension liability		60,474	63,102
Capital and reserves			
Called up share capital	19	1,256	1,256
Revaluation reserve	20	1,952	1,952
Profit and loss account	20	<u>57,266</u>	<u>59,894</u>
Shareholders' funds	20	<u>60,474</u>	<u>63,102</u>

These accounts were approved and authorised for issue by the board on 11 July 2012

E J Booth – Director



S K Booth – Director



E H BOOTH & CO LIMITED

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2012

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 comprises the consideration received or receivable for the sale of goods in the ordinary course of the group's activities.

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 31 MARCH 2012

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 31 MARCH 2012

1 Turnover

Turnover represents external sales of goods during the period net of value added tax and is based on a 52 week accounting period (2011 52 weeks)

2 Profit on property interests

	2012 £'000	2011 £'000
Share of operating profit/(loss) of joint venture (Note 12)	920	(11)
Other profits on disposal of property interests	1,197	951
Net rental income	<u>689</u>	<u>765</u>
	<u>2,806</u>	<u>1,705</u>

3 Operating profit

	2012 £'000	2011 £'000
Operating profit is stated after charging		
Depreciation of tangible fixed assets held under finance leases	134	756
Depreciation on owned tangible fixed assets	7,817	6,926
Amortisation of goodwill	319	247
Loss on disposal of tangible fixed assets	33	112
Auditor's remuneration		
• Fees payable to the auditor for the audit of the accounts	32	32
• Fees payable to the auditor for other services		
- Taxation	47	32
- Other	1	1
Operating lease rentals of		
• Land and buildings	1,908	1,409

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS (*continued*)

FOR THE YEAR ENDED 31 MARCH 2012

4 Interest payable and similar charges

	2012	2011
	£'000	£'000
On bank loans and overdrafts	2,647	2,423
Costs of refinancing	1,217	-
Finance lease charges	3	2
Net finance credit on pension scheme assets and liabilities	(158)	(239)
	3,709	2,186

5 Directors' remuneration

	2012	2011
	£'000	£'000
Total directors' emoluments (including benefits in kind)	1,183	1,541
Highest Paid Director – emoluments	302	445

As at 31 March 2012 the Highest Paid Director had accrued pension rights of £189,835 (2011 £136,959) and an accrued lump sum of £767,704 (2011 £553,871)

6 Employees

	2012	2011
	£'000	£'000
Staff costs during the year amounted to		
Wages and salaries	35,950	36,222
Social security costs	2,307	2,486
Other pension costs	2,089	2,057
	40,346	40,765
Breakdown of the average number of employees	No.	No.
Central office administration	103	97
Selling and distribution	2,975	2,996
	3,078	3,093

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 31 MARCH 2012

7 Tax on profits on ordinary activities

	2012 £'000	2011 £'000
(a) Analysis of tax charge in year		
Current year		
UK corporation tax at 26% (2011 28%)	1,604	2,174
Deferred tax charge	114	204
Deferred tax charge in respect of pension scheme	278	386
	<u>1,996</u>	<u>2,764</u>
Prior periods		
UK corporation tax	(110)	(361)
Deferred tax credit	(234)	(55)
Deferred tax charge in respect of pension scheme	58	88
	<u>1,710</u>	<u>2,436</u>
(b) Factors affecting tax charge for the year		
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	<u>5,890</u>	<u>8,177</u>
UK corporation tax at the standard rate 26% (2011 28%)	1,531	2,289
Depreciation for the year in deficit of capital allowances	(127)	(261)
Disallowed depreciation on properties and other non-qualifying assets	495	533
Accounting profit in excess of capital gain on disposal of property interests	(21)	-
Expenses not deductible for tax purposes	22	45
Other timing differences	5	(16)
Timing differences relating to movements on pension liabilities	<u>(301)</u>	<u>(416)</u>
	<u>1,604</u>	<u>2,174</u>

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 31 MARCH 2012

8 Profit attributable to members of the parent company

The profit after tax but before dividends dealt with in the accounts of the parent company was £3,476k (2011 £5,726k)

9 Dividends

	2012 £'000	2011 £'000
Year ended 2 April 2011		
Final paid at 19p per share (2011 5p per share)	239	63
Year ended 31 March 2012		
Interim paid at 4p per share (2011 4p per share)	50	50
	289	113

A dividend of 19p per share will be proposed by the directors at the Annual General Meeting (2011 19p per share)

10 Intangible fixed assets

	Goodwill £'000
Group and Company	
Cost	
At 3 April 2011	4,953
Additions	498
At 31 March 2012	5,451
Amortisation	
At 3 April 2011	2,122
Charge for the year	319
At 31 March 2012	2,441
Net book value	
At 31 March 2012	3,010
At 2 April 2011	2,831

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 31 MARCH 2012

11 Tangible fixed assets

Group	Land and Buildings £'000	Investment Properties £'000	Fixtures Plant and Vehicles £'000	Total £'000
Cost or valuation				
At 3 April 2011	98,692	2,703	86,738	188,133
Additions	1,987	-	12,493	14,480
Disposals	-	-	(907)	(907)
Revaluation	-	-	-	-
At 31 March 2012	100,679	2,703	98,324	201,706
Depreciation				
At 3 April 2011	14,062	-	45,879	59,941
Charge for the year	1,291	-	6,660	7,951
On disposals	-	-	(842)	(842)
At 31 March 2012	15,353	-	51,697	67,050
Net book value				
At 31 March 2012	85,326	2,703	46,627	134,656
At 2 April 2011	84,630	2,703	40,859	128,192

Net book value of land and buildings and investment properties comprises

	2012 £'000	2011 £'000
Freehold	74,032	73,122
Long leasehold (more than 50 years unexpired)	13,997	14,211
	88,029	87,333
Non-depreciating assets included in land and buildings		
Freehold	29,101	27,393
Long leasehold (more than 50 years unexpired)	6,645	6,645
	35,746	34,038

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 31 MARCH 2012

11 Tangible fixed assets *(continued)*

Company	Land and Buildings £'000	Investment Properties £'000	Fixtures Plant and Vehicles £'000	Total £'000
Cost or valuation				
At 3 April 2011	98,692	2,045	86,738	187,475
Additions	1,987	-	12,493	14,480
Disposals	-	-	(907)	(907)
Revaluation	-	-	-	-
At 31 March 2012	100,679	2,045	98,324	201,048
Depreciation				
At 3 April 2011	14,062	-	45,879	59,941
Charge for the year	1,291	-	6,660	7,951
On disposals	-	-	(842)	(842)
At 31 March 2012	15,353	-	51,697	67,050
Net book value				
At 31 March 2012	85,326	2,045	46,627	133,998
At 2 April 2011	84,630	2,045	40,859	127,534

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 31 MARCH 2012

11 Tangible fixed assets *(continued)*

Net book value of land and buildings and investment properties comprises

	2012 £'000	2011 £'000
Freehold	73,374	72,464
Long leasehold (more than 50 years unexpired)	13,997	14,211
	<hr/> 87,371	<hr/> 86,675
Non-depreciating assets included in land and buildings		
Freehold	29,101	27,393
Long leasehold (more than 50 years unexpired)	6,645	6,645
	<hr/> 35,746	<hr/> 34,038

Investment properties held at 31 March 2012 by the company consist of two properties, which were revalued at 3 April 2010 and 9 March 2011. In addition a further property is held within the group, and was revalued at 27 January 2010. All properties were revalued by Robert Pinkus & Co, Chartered Surveyors. The directors do not consider that there has been a material change in the value of these properties up to the balance sheet date. On the historical cost basis the net book value of investment properties held by the company is £93,108 (2011 £93,108) and by the Group is £123,139 (2011 £123,139).

Fixtures, plant and vehicles at 31 March 2012 included assets held under finance leases with a net book value of £nil (2011 £604,000). The depreciation charge to the accounts in the year in respect of such assets amounted to £134,000 (2011 £756,000).

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 31 MARCH 2012

12 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

Net book value of land and buildings and investment properties comprises

	2012 £'000	2011 £'000
Share of gross assets	973	1,150
Share of gross liabilities	<u>(338)</u>	<u>(1,193)</u>
Share of net worth	635	(43)
Share of turnover	3,963	2,075
Share of operating profit/(loss)	920	(11)
Share of interest receivable	2	-
Share of profit/(loss) after taxation	<u>678</u>	<u>(11)</u>

Company

Investment in joint venture

On 9 December 2008 the company invested £100 to acquire 50% of the share capital of Booths Partnership Limited (formerly 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 profit for the period and its share of its net worth at 31 March 2012 have been incorporated in the Group accounts under the equity method. Amounts owed at the year end are disclosed within the debtors and creditors notes as 'Amounts owed by/(to) participating interest'.

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.

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 31 MARCH 2012

13 Capital commitments

	Group and Company	
	2012	2011
	£'000	£'000
In addition to the liabilities incorporated in the accounts, the Group had the following contracted commitments	-	8,162

14 Stocks

	Group and Company	
	2012	2011
	£'000	£'000
Goods for resale	14,390	14,241

15 Debtors

	Group		Company	
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
Prepayments and accrued income	3,501	3,012	3,466	2,973
Amounts owed by participating interest	-	973	-	973
Amounts owed by group undertaking	-	-	627	661
	3,501	3,985	4,093	4,607

16 Creditors – amounts falling due within one year

	Group		Company	
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
Bank overdraft	2,612	5,846	2,612	5,846
Bank loans	3,700	7,315	3,700	7,315
Trade creditors	25,444	23,350	25,444	23,350
Corporation tax	974	579	961	572
Other taxes and social security costs	685	1,145	685	1,145
Finance leases	-	319	-	319
Directors' current accounts	-	215	-	215
Accruals	1,352	2,165	1,350	2,162
Amounts owed to participating interest	712	-	712	-
Preference shares	12	12	12	12
	35,491	40,946	35,476	40,936

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 31 MARCH 2012

17 Creditors – amounts falling due after more than one year

	Group and Company	
	2012 £'000	2011 £'000
Bank loans repayable by instalments:		
Repayable within two years	3,700	15,385
Repayable between two and five years	51,750	24,130
Repayable after five years	-	5,610
	55,450	45,125
Finance leases repayable by instalments:		
Repayable within two years	-	184
Repayable between two and five years	-	51
	55,450	45,360

The loans repayable are due in instalments over the next four years (2011 seven years) Instalments are payable at a rate of £925,000 per quarter (2011 £464,313 per month) after which the final balance will become due and will be refinanced at the same time

Bank borrowings are secured against specific properties and other assets These bear interest at between 1.4% to 2.0% over LIBOR

Finance lease obligations were secured on the assets to which they related to

18 Provision for liabilities and charges

Deferred taxation	Group		Company	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Balance brought forward	4,004	3,855	4,004	3,855
Movement to the profit and loss account	(119)	149	(119)	149
Balance carried forward	3,885	4,004	3,885	4,004
The deferred taxation provision represents				
Accelerated capital allowances	3,489	3,573	3,489	3,573
Other timing differences	396	431	396	431
	3,885	4,004	3,885	4,004

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 31 MARCH 2012

19 Share Capital

	Group		Company	
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
<i>Equity:</i>				
Ordinary shares of £1 each	1,256	1,256	1,256	1,256
<i>Non-equity:</i>				
3½% Net cumulative preference shares of £1 each	12	12	12	12

20 Reconciliation of shareholders' funds and movement in reserves

Group	Share capital £'000	Revaluation reserve £'000	Profit & loss account £'000	Total £'000
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
Profit for the year	-	-	4,180	4,180
Dividends	-	-	(289)	(289)
Actuarial loss relating to pension scheme	-	-	(7,652)	(7,652)
Deferred tax movement associated with actuarial loss	-	-	1,837	1,837
At 31 March 2012	1,256	2,581	57,324	61,161

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 31 MARCH 2012

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

	2012 £'000	2011 £'000
Attributable to:		
Equity shareholders	<u>61,161</u>	<u>63,085</u>
The effect of recognising the FRS 17 pension liability on the Group's profit and loss account reserve is as follows		
Profit and loss account reserve excluding pension liability	64,413	61,344
Pension liability	<u>(7,089)</u>	<u>(2,096)</u>
Profit and loss account reserve including pension liability	<u>57,324</u>	<u>59,248</u>

Company	Share capital £'000	Revaluation reserve £'000	Profit & loss account £'000	Total £'000
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
Profit for the year	-	-	3,476	3,476
Dividends	-	-	(289)	(289)
Actuarial loss relating to pension scheme	-	-	(7,652)	(7,652)
Deferred tax movement associated with actuarial loss	-	-	1,837	1,837
At 31 March 2012	<u>1,256</u>	<u>1,952</u>	<u>57,266</u>	<u>60,474</u>

	2012 £'000	2011 £'000
Attributable to:		
Equity shareholders	<u>60,474</u>	<u>63,102</u>
The effect of recognising the FRS 17 pension liability on the Company's profit and loss account reserve is as follows		
Profit and loss account reserve excluding pension liability	64,355	61,990
Pension liability	<u>(7,089)</u>	<u>(2,096)</u>
Profit and loss account reserve including pension liability	<u>57,266</u>	<u>59,894</u>

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 31 MARCH 2012

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

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 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 General Meeting unless the preferential dividend is six months in arrears

21 Reconciliation of operating profit to net cash inflow from operating activities

	2012	2011
	£'000	£'000
Operating profit	9,599	10,363
Amortisation	319	247
Depreciation	7,951	7,682
Loss on disposal of tangible fixed assets	33	112
Other profits on disposal of property interests	(1,197)	(951)
Pension contributions paid in excess of current year service cost	(1,000)	(1,247)
Share of operating profit / (loss) of joint venture	(920)	11
Increase in stocks	(149)	(1,077)
Decrease in debtors	484	379
Increase/(Decrease) in creditors	1,318	(224)
	16,438	15,295

22 Reconciliation of net cash flow to movement in net debt

	2012	2011
	£'000	£'000
Increase/(Decrease) in cash in the period	3,833	(4,397)
Cashflow from debt and lease financing	(6,156)	3,918
Change in net debt in the period	(2,323)	(479)
Net debt at 2 April 2011	(52,567)	(52,088)
Net debt at 31 March 2012	(54,890)	(52,567)

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 31 MARCH 2012

23 Analysis of changes in net debt

	At 3 April 2011 £'000	Cash Flows £'000	Other Changes £'000	At 31 March 2012 £'000
Net Cash				
Cash at bank & in hand	6,285	599	-	6,884
Bank overdraft	(5,846)	3,234	-	(2,612)
	439	3,833	-	4,272
Debt				
Preference shares	(12)	-	-	(12)
Loans due within one year	(7,315)	54,290	(50,675)	(3,700)
Loans due after one year	(45,125)	(61,000)	50,675	(55,450)
Finance leases due within one year	(319)	554	(235)	-
Finance leases due after one year	(235)	-	235	-
	(53,006)	(6,156)	-	(59,162)
Total	(52,567)	(2,323)	-	(54,890)

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 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 £81,212 during the year. The agreed recovery plan provides for these deficit contributions to increase by 2.8% per annum, each year 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 £483,212 (2011: £635,206).

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 31 MARCH 2012

24 Pensions *(continued)*

In 2012/13, the company expects to contribute £2,721,000, excluding reimbursement of administration and professional costs, assuming £312,000 actual member contributions into the scheme

Balance sheet liability

The principal assumptions used for the FRS 17 actuarial valuation were

	2012 %	2011 %
Expected return on scheme assets	6.10	6.80
Rate of increase in salaries	4.20	4.00
Rate of increase in deferred pensions	2.20	3.00
Rate of increase in pensions in payment	3.20	3.50
Discount rate	5.00	5.60
Inflation assumption	3.20	3.50

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

	2012 £'000	2011 £'000
Secured pension assets	3,299	3,262
Equities	19,613	19,034
Bonds	18,552	13,359
Hedge Funds	8,138	7,828
OEICS – convertible bonds	3,854	6,942
Cash	704	945
Other	<u>119</u>	<u>119</u>
Total fair value of assets	54,279	51,489
Present value of scheme liabilities	<u>(63,606)</u>	<u>(54,322)</u>
Deficit in the scheme	(9,327)	(2,833)
Related deferred tax asset	<u>2,238</u>	<u>737</u>
Net pension liability	<u>(7,089)</u>	<u>(2,096)</u>

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 31 MARCH 2012

24 Pensions *(continued)*

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

	2012 £'000	2011 £'000
Balance brought forward	737	1,679
Movement to the P&L account	(336)	(474)
Movement to the STRGL	<u>1,837</u>	<u>(468)</u>
Balance carried forward	<u>2,238</u>	<u>737</u>
	2012 £'000	2011 £'000
Changes in the fair value of scheme assets are as follows:		
Opening fair value of scheme assets	51,489	46,144
Expected return on assets	3,258	3,269
(Loss)/Gain on asset return	(1,826)	528
Employer contributions (gross)	2,817	3,053
Death in service insurance premiums paid	(127)	(122)
Expenses paid by scheme	(424)	(392)
Employee contributions	329	331
Change in annuitant value due to scheme experience	(135)	(499)
Benefits paid	<u>(1,102)</u>	<u>(823)</u>
Closing fair value of scheme assets	<u>54,279</u>	<u>51,489</u>
	2012 £'000	2011 £'000
Changes in the present value of scheme liabilities are as follows:		
Opening present value of scheme liabilities	(54,322)	(52,141)
Current accrual cost	(1,595)	(1,623)
Interest cost	(3,100)	(3,030)
Experience loss on liabilities	(2,504)	(413)
(Loss)/Gain on changes in assumptions	(3,322)	1,563
Change in annuitant value due to scheme experience	135	499
Benefits paid	<u>1,102</u>	<u>823</u>
Closing present value of scheme liabilities	<u>(63,606)</u>	<u>(54,322)</u>

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 31 MARCH 2012

24 Pensions *(continued)*

	2012 £'000	2011 £'000
Changes in the scheme deficit are as follows:		
Opening deficit in the scheme	(2,833)	(5,997)
Current service cost	(1,393)	(1,414)
Expected return on assets	3,258	3,269
Interest cost	(3,100)	(3,030)
Actuarial (loss)/gain	(7,652)	1,678
Employer contributions (gross)	2,817	3,053
Expenses paid by scheme	<u>(424)</u>	<u>(392)</u>
Closing deficit in the scheme	<u>(9,327)</u>	<u>(2,833)</u>

	2012 £'000	2012 £'000	2011 £'000	2011 £'000
Analysis of the charge recognised in the Profit & Loss account under FRS17:				
Current service cost		(1,393)		(1,414)
Expenses paid by scheme		<u>(424)</u>		<u>(392)</u>
		(1,817)		(1,806)
Interest on pension scheme liabilities	(3,100)		(3,030)	
Expected return on pension scheme assets	<u>3,258</u>		<u>3,269</u>	
Net finance credit		<u>158</u>		<u>239</u>
		(1,659)		(1,567)

Analysis of the actuarial (loss)/gain recognised in the Statement of Total Recognised Gains and Losses under FRS17:

(Loss)/Gain on asset return	(1,826)	528
Experience loss on liabilities	(2,504)	(413)
(Loss)/Gain on changes in assumptions	<u>(3,322)</u>	<u>1,563</u>
	<u>(7,652)</u>	<u>1,678</u>

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NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 31 MARCH 2012

24 Pensions *(continued)*

Historical amounts for current and previous four periods:

	2012 £'000	2011 £'000	2010 £'000	2009 £'000	2008 £'000
Fair value of scheme assets	54,279	51,489	46,144	37,608	41,242
Present value of scheme liabilities	(63,606)	(54,322)	(52,141)	(40,182)	(41,913)
Deficit	(9,327)	(2,833)	(5,997)	(2,574)	(671)
Experience (loss)/gain on scheme liabilities	(2,504)	(413)	(535)	(1,112)	1,394

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

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 £271,886 (2011 £251,317)

25 Operating lease commitments

At 31 March 2012 the Group had minimum annual commitments under non-cancellable operating leases as follows

	2012 £'000 Land and buildings	2012 £'000 Other items	2011 £'000 Land and buildings	2011 £'000 Other items
Commitments expiring within one year	-	-	41	-
Commitments expiring within 2-5 years	-	-	-	-
Commitments expiring after more than 5 years	2,223	-	1,368	-
	2,223	-	1,409	-