

**E H BOOTH & CO LIMITED**  
**DIRECTORS' REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED**  
**30 MARCH 2013**



# **E H BOOTH & CO LIMITED**

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# E H BOOTH & CO LIMITED

## COMPANY DETAILS

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<b>Directors</b>	H M Booth, MBE (Deceased 20 May 2012) E J Booth, DL (Chairman) S K Booth D G Booth C J Dee J A P Vandermeer
<b>Secretary</b>	J A P Vandermeer
<b>Registered office</b>	Booths Central Office Longridge Road Ribbleton Preston PR2 5BX
<b>Company number</b>	00049933
<b>Auditors</b>	Moore and Smalley LLP Preston
<b>Bankers</b>	National Westminster Bank PLC Manchester  Lloyds TSB Bank PLC Manchester
<b>Solicitors</b>	Napthens LLP Preston

# **E H BOOTH & CO LIMITED**

## **NOTICE OF MEETING**

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NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at the Preston Marriott Hotel, Broughton on 11 September 2013 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 30 March 2013
- 3 To confirm the payment of the interim dividend paid on 30 March 2013
- 4 To declare a final dividend
- 5 To re-elect Mr E J Booth, Mr S K Booth and Mr J A P Vandermeer as directors of the company
- 6 To re-elect the auditors and authorise the directors to fix their remuneration
- 7 To fix the fair value of the shares for the ensuing year
- 8 To transact any other ordinary business

By order of the board on 31 July 2013



**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**

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### **Trading & Marketing**

With sales having increased by 2% for the year under review, this is a satisfactory outcome under-pinned by an operating performance that is not fully recognised in the profit & loss account. The Trading Department have been successful in building a structured approach to honing our negotiating capability, resulting in reduced base invoice costs, improved funding for promotions and increased investment in buying income. The subsequent improvement in gross margins has enabled the company to improve its competitiveness on key lines with the "Price Promise" initiative. When comparing the operating profit with the previous financial year, it should be noted that there are significant property gains to be taken into account over and above rental income. In addition, there was no bonus payment made for 2011/12 and due to the company exceeding its targeted objectives for the year under review, a bonus was paid out to all staff members.

Within the year, 14 stores were rebranded in an exercise which is almost complete. At the same time, new Booths brand products were launched in fresh produce, meat, fish and wine.

We now have a dedicated in-house Studio Design team which has provided greatly enhanced capability both from a costs and qualitative perspective. Through this investment, we are ensuring that presentation of the Booths branded products becomes as good as the best in the industry.

The new supplier website is now fully functioning and through this we have established some exciting new supplier relationships which have delivered some unique products to our range. This has also provided a platform for improved relationships with existing suppliers. From an organoleptic perspective we have designed a new tasting panel process so that absolute consistency is applied to the selection of products. The process is also designed to engage an increasing number of colleagues throughout the Central Office who may not otherwise come into contact with product selection on a day-to-day basis.

During the year we said goodbye to Philip Godwin who had worked with us for 37 years. Philip originally worked in the butchery and fresh food area of the business, eventually specialising in the purchase of cheese. His expertise in this subject won him great respect in the industry and culminated in him acting as a judge at country shows, including Nantwich.

### **Stores**

In November 2012 we opened a new store at Milnthorpe in South Cumbria and to date trading has been strong. At Longridge, we purchased the Spar business adjacent and on so doing took control over a large carparking area. This enabled us to expand our shopfloor and in so doing accommodate a full suite of Booths serve-over counters. This has resulted in a sales increase of in excess of 24% for the year with growth continuing into the present financial year at a similar level. Fish and meat counters were installed at Hesketh Bank and at Ilkley there is now a full fresh food offering including fish.

The partnership with Maple Grove Developments Ltd (Booths Partnership Ltd) has been used to purchase the Teanlowe Shopping Centre at Poulton-le-Fylde within which we will fit out a large modern Booths as part of a refurbishment programme. This store will replace the existing premises at Ball Street and offer a complete range of Booths services.

# **E H BOOTH & CO LIMITED**

## **CHAIRMAN'S REPORT**

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The Retail team has worked hard towards implementing standard hours on ambient replenishment, fresh replenishment, counters and checkouts. For the first time, we are employing hours-based budgeting in order to achieve a consistent approach to operations throughout the stores. During the year, Bryan Dutch joined the team as Regional Manager South and his support has contributed towards the professionalisation of Booths "front end".

We started to roll out a new Café format with a fresh menu prepared on site. There has been strong sales growth and increased margins with 95% of the food and drink on the menu available in the main store. This will now be adopted as our lead format and be rolled out as part of refits and new store openings. There is a Café "lite" version which has been introduced at Media City in Salford. Here, we are encouraging customers to purchase food from the hot food serve-over counter on the ground floor for consumption in the Café. We are monitoring the uptake of this idea in order to consider the opportunities that we may have to introduce this style of catering into stores with limited footprints.

At the end of March 2013 Mr David Benson retired as Retail Director. David joined the business as a Trainee Manager in 1970 and in 1972 was asked by Mr John Booth to become a Junior Buyer. He subsequently became Head of Buying and took the role of Buying Director on the newly formed Operating Board in 1998. In 2004 he became Retail Operations Director and has since laid the foundations for the new era of working practices. I join with the Board in thanking David most sincerely for his 43 years' service to the company. We have recently welcomed David's successor, Mr Paul Minett, as Retail Director and we wish him every success in his new post.

### **Information Technology – Supply Control**

Like all modern businesses, Booths depends upon a robust IT platform upon which to carry out its operations and grow. During 2012/13 the IT team invested in developing further virtualisation in order to create a more stable and flexible data centre. The integrity of data and associated reporting tools are key to the decision making processes, enabling managers to develop an attractive offer to customers which is delivered efficiently.

The Supply Control team has continued to develop its management of stock flows through the Central Operations out to the stores and there is now particular progress being made to assure good product availability and, at the same time, manage shrinkage. A great deal of effort has been expended to ensure that communication between Central Operations, Supply Control and Stores is carried out to the highest standards and this has resulted in improved product displays throughout the business.

In December 2012 an enhanced "Click & Collect" service was provided for key Christmas product lines resulting in an increase of orders placed of 21%. It is the company's intention to continue developing this facility in the years ahead.

### **Central Distribution**

During 2012/13 there has been a particular focus on central warehousing, production and distribution operations. Much work has been undertaken to create the safest possible working environment for colleagues and a new dedicated Health & Safety Manager has been recruited. Service levels to stores have been improved and all fresh food chilled stock is now delivered prior to 7am. In addition 12 stores now receive a Sunday delivery. In order to provide better communication with store colleagues, we have started to use Isotrack geo-fencing in order to provide delivery alert. An impressive 98.5% of deliveries were made on time to the stores.

# **E H BOOTH & CO LIMITED**

## **CHAIRMAN'S REPORT**

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In order to smooth goods-in operations, a new intranet web based booking system was installed and although the compliance level from suppliers has been inconsistent from time to time, this investment is now starting to pay dividends. The Christmas trading period has always been particularly intense at Booths with massive volumes of goods having to be distributed within a tight time frame. From a trading and operations perspective Christmas 2012 was the best yet for the company thanks to good planning and a sterling effort by colleagues both in Central operations and at Stores.

### **Human Resources**

With over 3,000 staff members, it is imperative that our business ensures that everyone is supported in such a way as to realise their potential both as an individual and to provide the best possible service to our customers. In 2012/13 a considerable amount of structural work was undertaken including moving over 2,500 employees from weekly to monthly pay.

Commensurate with the opening of the store at Milnthorpe, new recruitment and training tools were used with great success and these will now be rolled out across all stores in 2013/14. During the year, the company supported 143 employees through the Retail Apprenticeship Programme and there is a remaining challenge to provide apprenticeship opportunities to both young and older employees who see retailing as their career of choice. Our work on the Booths Foundation Degree with Manchester Metropolitan University continues unabated with 6 new internal Trainee Managers having been nominated for the course. We have also created and launched a Leadership Programme for our top talent with a view to developing strong leaders for the future development of the business. This is an 18-month programme whose success will be evaluated with a view to nominating a new cohort of participants in the future.

The HR team has been instrumental in introducing new communication tools in response to feedback from employees. There is now a Quarterly business update and annual DVD which are used to inform colleagues how the business is performing and progressing against its business strategy.

### **Responsible Business**

In November last year, the company were awarded a Ruban D'Honneur in the 2012/13 European Business Awards for Environmental and Corporate Sustainability. This was a great accolade as Booths had been chosen from thousands of companies across Europe and shortlisted to present to a panel in Germany who would select the overall European winner. The company remains committed to all practical means by which to reduce its environmental impact and our work has also been recognised on the national stage by the Business in the Community (BITC) organisation.

We are continuing to lead the Preston Cluster of school and business relationships and Store Managers Andrew Allison and Mark Langstaff have ensured that our relationship with the Ashton Community Science College continues to thrive. In addition, they have worked with colleagues at Penrith, Media City, Chorley, Milnthorpe and Settle to encourage the development of more relationships with Schools through which we are able to support their enterprise curriculums. Booths has continued to reach out into the community in many different ways and the manner in which we go about our business is important in nurturing the valuable relationships that we enjoy with both our customers and suppliers.

# **E H BOOTH & CO LIMITED**

## **CHAIRMAN'S REPORT**

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### **Financial Year 2013/14**

There will be no Easter trading period in the present financial year and so we are not forecasting a significant increase in sales. We are, however, trading well and making further progress with reductions in operating costs and improved trading margins. Our industry has arrived at a point where questions have been asked about the intensity of promotional programmes and although we have competed strongly we remain confident that by positioning Booths as a special food and drink retailer there will be loyal following for our brand in the future. During the year, we have welcomed many new colleagues throughout the business and I believe that our management team and colleagues are stronger than ever.

The Directors and I are proud of the effort that has been put in to both modernising the company and ensuring that our core values are upheld.



**Edwin J Booth**  
**Chairman**

**Date:** 31 July 2013



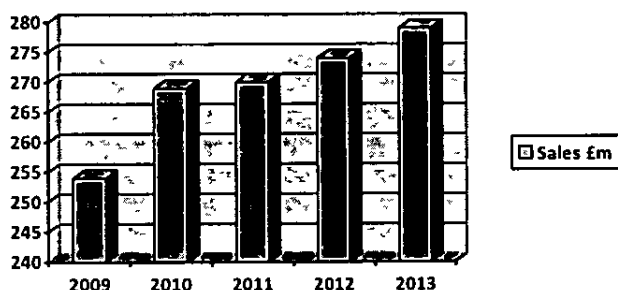
# E H BOOTH & CO LIMITED

## BUSINESS REVIEW

FOR THE YEAR ENDED 30 MARCH 2013

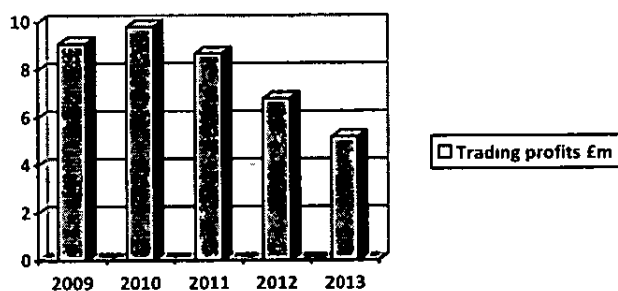
### Sales

The economic conditions remained challenging during the year but we were able to report a modest increase of £5.3m in sales during the year. A full year's sales from Media City and Penrith, together with the new store in Milnthorpe, were the main drivers of the increase.



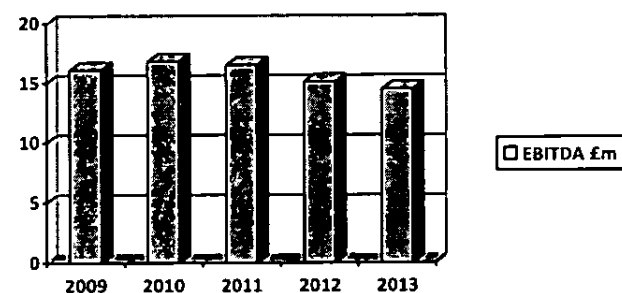
### Trading profits

The fall in trading profits of £1.6m is largely due to a bonus paid to all staff this year, whereas last year no bonus was paid. Significant improvements have been made in gross margins and we have further refined our working practices to reduce labour costs.



### EBITDA

Earnings before Interest, Tax, Depreciation and Amortisation (excluding profits on property interests) at £14.5m is £0.6m down on last year. Underlying profits have improved but the staff bonus provided for during the year is the main reason for the reduction.



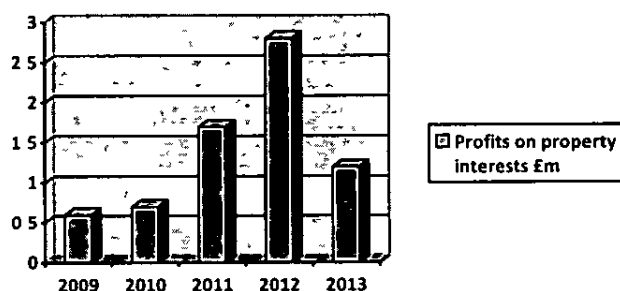
# E H BOOTH & CO LIMITED

## BUSINESS REVIEW

FOR THE YEAR ENDED 30 MARCH 2013

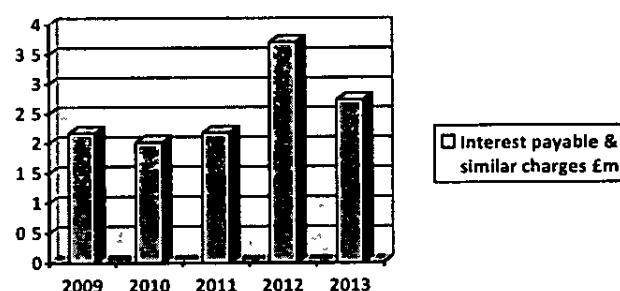
### Profits on property interests

Profits from property interests are down £1.6m. We continue to receive a healthy rental income from the stores adjoining our retail estate and this was supplemented by further profits on the Penrith store joint development. We also sold a small parcel of land adjacent to our Penwortham store for development purposes.



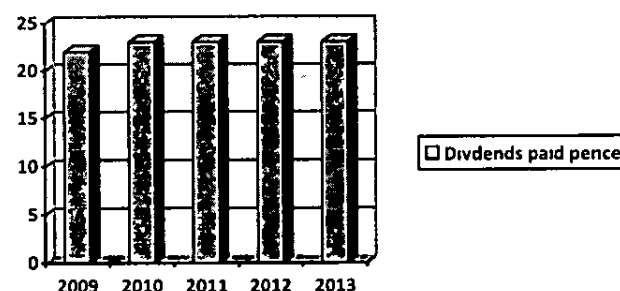
### Interest payable & similar charges

Interest and related charges fell by £1m to £2.7m due to the financing costs incurred last year. Net debt fell marginally from £55m to £51m but when the interest rate swaps are taken into account the marginal cost of borrowing increased slightly. During the year 2 interest rate swaps matured so next year the marginal cost of borrowings should fall.



### 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.



# E H BOOTH & CO LIMITED

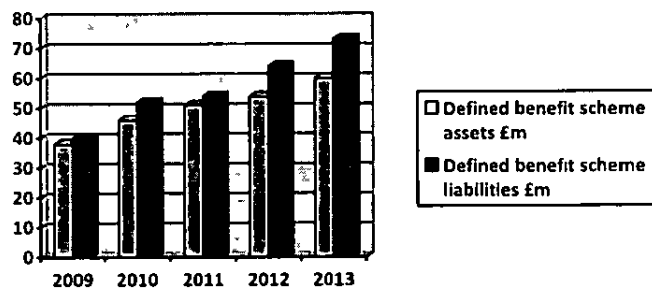
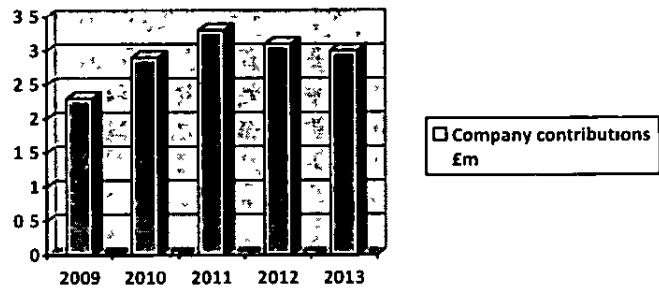
## BUSINESS REVIEW

FOR THE YEAR ENDED 30 MARCH 2013

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### Company pension contributions

The cash contribution paid by the company in respect of defined benefit pension costs amounted to £2.6m, down from £2.8m last year due to a reduction in active members. The pension scheme assets have increased in value by 10.2%. However due to a continuing reduction in gilts yields the liabilities have increased by 15%, meaning that the deficit stands at £13.5m. The next formal actuarial valuation of the scheme, which was due as at 31<sup>st</sup> March 2012, is in the final stages of completion. Payments to the defined contribution scheme increased by £62k during the year to £333k making total contributions £2.953m.



# E H BOOTH & CO LIMITED

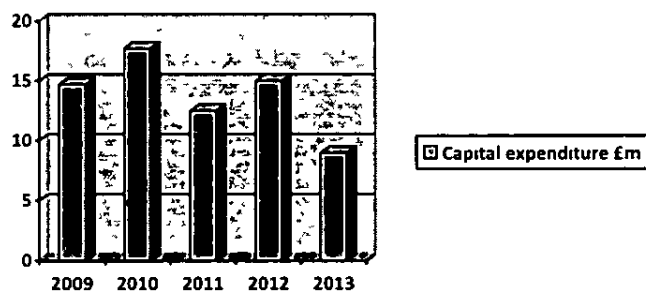
## BUSINESS REVIEW

FOR THE YEAR ENDED 30 MARCH 2013

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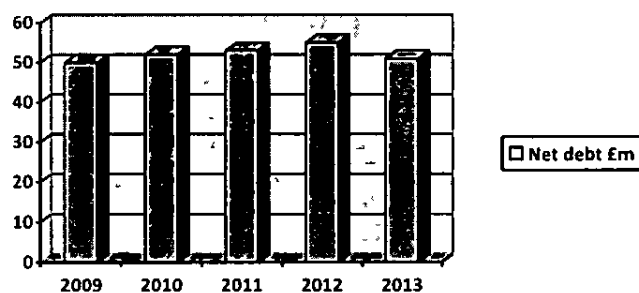
### Capital expenditure

Spending on capital items during the year totalled to £9m, with the fitting out of the new store in Milnthorpe, together with the completed refurbishments at Longridge and Fulwood, accounting for the significant amounts of spend. A number of other smaller capital projects were also completed during the year.



### Net debt

Net debt fell marginally from £55m to £51m. £3.7m of the term loan was repaid in the year with £3m drawdown from the revolving credit facility. Currently £21m of the facility remains undrawn.



# **E H BOOTH & CO LIMITED**

## **REPORT OF THE DIRECTORS**

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The directors have pleasure in submitting their one hundred and sixteenth annual report, together with the audited accounts for the group for the year ended 30 March 2013

### **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 £2 6m (2012 £4 2m).

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 30 March 2013 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, DVDs 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 £166,648 (2012 £126,003)

# **E H BOOTH & CO LIMITED**

## **REPORT OF THE DIRECTORS**

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### **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**

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### **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 31 July 2013 and signed on its behalf



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

## **E H BOOTH & CO LIMITED**

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We have audited the accounts of E H Booth & Co Limited for the year ended 30 March 2013 which comprise the Group Profit and Loss Account, the Group and Parent Company Balance Sheets, the Group Cashflow 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 30 March 2013, 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**

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#### **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

31 July 2013

# **E H BOOTH & CO LIMITED**

## **GROUP PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 30 MARCH 2013**

	<b>Note</b>	<b>2013 £'000</b>	<b>2012 £'000</b>
<b>Turnover</b>	1	<b>278,945</b>	273,614
Cost of sales		<u>(254,541)</u>	<u>(249,223)</u>
<b>Gross profit</b>		<b>24,404</b>	24,391
Administrative expenses		<u>(19,215)</u>	<u>(17,598)</u>
		<b>5,189</b>	6,793
Profit on property interests	2	<u>1,242</u>	<u>2,806</u>
<b>Operating profit</b>	3	<b>6,431</b>	9,599
Interest payable and similar charges	4	<u>(2,739)</u>	<u>(3,709)</u>
<b>Profit on ordinary activities before taxation</b>		<b>3,692</b>	5,890
Tax on profit on ordinary activities	7	<u>(1,131)</u>	<u>(1,710)</u>
<b>Profit on ordinary activities after taxation</b>	20	<u><b>2,561</b></u>	<u>4,180</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 30 MARCH 2013**

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	<b>Note</b>	<b>2013</b>	<b>2012</b>
		<b>£'000</b>	<b>£'000</b>
Profit for the financial year		<b>2,561</b>	<b>4,180</b>
Unrealised deficit on revaluation of investment properties	11	<b>(58)</b>	<b>-</b>
Actuarial loss on pension scheme	24	<b>(5,402)</b>	<b>(7,652)</b>
Deferred tax credit on actuarial loss	24	<b>1,167</b>	<b>1,837</b>
<b>Total recognised gains and losses for the year</b>		<b>(1,732)</b>	<b>(1,635)</b>

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

Company No: 00049933

AS AT 30 MARCH 2013

	Note	2013 £'000	2012 £'000
<b>Fixed assets</b>			
Intangible assets	10	2,691	3,010
Tangible assets	11	134,385	134,656
Investment in joint venture	12	143	635
		<u>137,219</u>	<u>138,301</u>
<b>Current assets</b>			
Stocks	14	14,320	14,390
Debtors	15	4,147	3,501
Cash at bank & in hand		<u>9,158</u>	<u>6,884</u>
		27,625	24,775
<b>Creditors – amounts falling due within one year</b>	16	<u>(36,824)</u>	<u>(35,491)</u>
<b>Net current liabilities</b>		<u>(9,199)</u>	<u>(10,716)</u>
<b>Total assets less current liabilities</b>		128,020	127,585
<b>Creditors – amounts falling due after more than one year</b>	17	<u>(54,750)</u>	<u>(55,450)</u>
		73,270	72,135
<b>Provision for liabilities and charges</b>	18	<u>(3,709)</u>	<u>(3,885)</u>
<b>Net assets excluding pension liability</b>		69,561	68,250
Pension liability	24	<u>(10,421)</u>	<u>(7,089)</u>
<b>Net assets including pension liability</b>		59,140	61,161
<b>Capital and reserves</b>			
Called up share capital	19	1,256	1,256
Revaluation reserve	20	2,523	2,581
Profit and loss account	20	<u>55,361</u>	<u>57,324</u>
<b>Shareholders' funds</b>	20	<u>59,140</u>	<u>61,161</u>

These accounts were approved and authorised for issue by the board on 31 July 2013

E J Booth – Director



S K Booth – Director



# E H BOOTH & CO LIMITED

## GROUP CASHFLOW STATEMENT

FOR THE YEAR ENDED 30 MARCH 2013

	Note	2013 £'000	2012 £'000
<b>Net cash inflow from operating activities</b>	21	16,485	16,438
<b>Dividends received from joint venture</b>		747	-
<b>Returns on investments and servicing of finance</b>			
Interest paid		(2,733)	(3,864)
Interest element of finance lease payments		-	(3)
<b>Net cash outflow from returns on investments and servicing of finance</b>		(2,733)	(3,867)
<b>Taxation</b>			
Corporation tax paid		(1,457)	(856)
<b>Capital expenditure and financial investment</b>			
Payments made to acquire intangible fixed assets		-	(498)
Payments made to acquire tangible fixed assets		(9,036)	(14,480)
Receipts from sale of property interests and tangible fixed assets		163	1,229
<b>Net cash outflow from capital expenditure and financial investment</b>		(8,873)	(13,749)
		4,169	(2,034)
<b>Equity dividends paid</b>		(289)	(289)
<b>Net cash inflow/(outflow) before financing</b>		3,880	(2,323)
<b>Financing</b>			
Loan advances	23	3,000	61,000
Loan repayments	23	(3,700)	(54,290)
Capital element of finance lease		-	(554)
<b>Net cash (outflow)/inflow from financing</b>		(700)	6,156
<b>Increase in cash</b>	23	3,180	3,833

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

Company No 00049933

AS AT 30 MARCH 2013

	Note	2013 £'000	2012 £'000
<b>Fixed assets</b>			
Intangible assets	10	2,691	3,010
Tangible assets	11	133,785	133,998
Investments	12	-	-
		<u>136,476</u>	<u>137,008</u>
<b>Current assets</b>			
Stocks	14	14,320	14,390
Debtors	15	4,720	4,093
Cash at bank & in hand		<u>9,158</u>	<u>6,883</u>
		<u>28,198</u>	<u>25,366</u>
<b>Creditors – amounts falling due within one year</b>	16	<u>(36,814)</u>	<u>(35,476)</u>
<b>Net current liabilities</b>		<u>(8,616)</u>	<u>(10,110)</u>
<b>Total assets less current liabilities</b>		<u>127,860</u>	<u>126,898</u>
<b>Creditors – amounts falling due after more than one year</b>	17	<u>(54,750)</u>	<u>(55,450)</u>
		<u>73,110</u>	<u>71,448</u>
<b>Provision for liabilities and charges</b>	18	<u>(3,709)</u>	<u>(3,885)</u>
<b>Net assets excluding pension liability</b>		<u>69,401</u>	<u>67,563</u>
Pension liability	24	<u>(10,421)</u>	<u>(7,089)</u>
<b>Net assets including pension liability</b>		<u>58,980</u>	<u>60,474</u>
<b>Capital and reserves</b>			
Called up share capital	19	1,256	1,256
Revaluation reserve	20	1,952	1,952
Profit and loss account	20	<u>55,772</u>	<u>57,266</u>
<b>Shareholders' funds</b>	20	<u>58,980</u>	<u>60,474</u>

These accounts were approved and authorised for issue by the board on 31 July 2013

E J Booth – Director



S K Booth – Director



# **E H BOOTH & CO LIMITED**

## **ACCOUNTING POLICIES**

**FOR THE YEAR ENDED 30 MARCH 2013**

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### **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 30 MARCH 2013**

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### **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 30 MARCH 2013**

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**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 (2012 52 weeks)

**2 Profit on property interests**

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Share of operating profit of joint venture (Note 12)	373	920
Other profits on disposal of property interests	135	1,197
Net rental income	<u>734</u>	<u>689</u>
	<b>1,242</b>	<b>2,806</b>

**3 Operating profit**

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Operating profit is stated after charging		
Depreciation of tangible fixed assets held under finance leases	-	134
Depreciation on owned tangible fixed assets	8,976	7,817
Amortisation of goodwill	319	319
Loss on disposal of tangible fixed assets	245	33
Auditor's remuneration		
• Fees payable to the auditor for the audit of the accounts	33	32
• Fees payable to the auditor for other services		
- Taxation	41	47
- Other	1	1
Operating lease rentals of		
• Land and buildings	<u>2,562</u>	<u>1,908</u>

# E H BOOTH & CO LIMITED

## NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 30 MARCH 2013

**4 Interest payable and similar charges**

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
On bank loans and overdrafts	2,869	2,647
Costs of refinancing	-	1,217
Finance lease charges	-	3
Net finance credit on pension scheme assets and liabilities	(130)	(158)
	<b>2,739</b>	<b>3,709</b>

**5 Directors' remuneration**

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Total directors' emoluments (including benefits in kind)	1,386	1,183
Highest Paid Director – emoluments	354	302

As at 30 March 2013 the Highest Paid Director had accrued pension rights of £195,845 (2012 £189,835) and an accrued lump sum of £792,009 (2012 £767,704)

**6 Employees**

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Staff costs during the year amounted to		
Wages and salaries	36,099	35,950
Bonuses	1,508	-
Social security costs	2,267	2,307
Other pension costs	1,889	2,089
	<b>41,763</b>	<b>40,346</b>
Breakdown of the average number of employees	<b>No.</b>	<b>No.</b>
Central office administration	109	103
Selling and distribution	2,865	2,975
	<b>2,974</b>	<b>3,078</b>

# E H BOOTH & CO LIMITED

## NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 30 MARCH 2013

**7 Tax on profits on ordinary activities**

	<b>2013</b>	<b>2012</b>
<b>(a) Analysis of tax charge in year</b>	<b>£'000</b>	<b>£'000</b>
<b>Current year</b>		
UK corporation tax at 24% (2012 · 26%)	<b>1,336</b>	1,604
Deferred tax (credit) / charge	<b>(295)</b>	114
Deferred tax charge in respect of pension scheme	<b>275</b>	278
	<b>1,316</b>	1,996
<b>Prior periods</b>		
UK corporation tax	<b>(321)</b>	(110)
Deferred tax charge / (credit)	<b>119</b>	(234)
Deferred tax charge in respect of pension scheme	<b>17</b>	58
	<b>1,131</b>	1,710
<b>(b) Factors affecting tax charge for the year</b>		
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	<b>3,692</b>	5,890
UK corporation tax at the standard rate 24% (2012 · 26%)	<b>886</b>	1,531
Depreciation for the year in excess of/(in deficit) of capital allowances	<b>370</b>	(127)
Disallowed depreciation on properties and other non-qualifying assets	<b>497</b>	495
Accounting profit in excess of capital gain on disposal of property interests	<b>(37)</b>	(21)
Expenses (non-taxable)/not deductible for tax purposes	<b>(27)</b>	22
Other timing differences	<b>(66)</b>	5
Timing differences relating to movements on pension liabilities	<b>(287)</b>	(301)
	<b>1,336</b>	1,604

# E H BOOTH & CO LIMITED

## NOTES TO THE ACCOUNTS *(continued)*

### FOR THE YEAR ENDED 30 MARCH 2013

#### 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 £3,030k (2012 £3,476k)

#### 9 Dividends

	2013	2012
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##### Year ended 31 March 2012

Final paid at 19p per share (2012: 19p per share)	239	239
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##### Year ended 30 March 2013

Interim paid at 4p per share (2012: 4p per share)	50	50
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	289	289
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#### 10 Intangible fixed assets

	Goodwill £'000
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##### Group and Company

##### Cost

At 1 April 2012	5,451
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Additions	-
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At 30 March 2013	5,451
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##### Amortisation

At 1 April 2012	2,441
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Charge for the year	319
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At 30 March 2013	2,760
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##### Net book value

At 30 March 2013	2,691
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At 31 March 2012	3,010
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# E H BOOTH & CO LIMITED

## NOTES TO THE ACCOUNTS *(continued)*

### FOR THE YEAR ENDED 30 MARCH 2013

#### 11 Tangible fixed assets

Group	Land and Buildings £'000	Investment Properties £'000	Fixtures, Plant and Vehicles £'000	Total £'000
<b>Cost or valuation</b>				
At 1 April 2012	100,679	2,703	98,324	201,706
Additions	1,097	-	7,939	9,036
Disposals	(9)	-	(4,122)	(4,131)
Transfers	4	-	(4)	-
Revaluation	-	(58)	-	(58)
<b>At 30 March 2013</b>	<b>101,771</b>	<b>2,645</b>	<b>102,137</b>	<b>206,553</b>
<b>Depreciation</b>				
At 1 April 2012	15,353	-	51,697	67,050
Charge for the year	1,308	-	7,668	8,976
On disposals	-	-	(3,858)	(3,858)
On transfers	4	-	(4)	-
<b>At 30 March 2013</b>	<b>16,665</b>	<b>-</b>	<b>55,503</b>	<b>72,168</b>
<b>Net book value</b>				
<b>At 30 March 2013</b>	<b>85,106</b>	<b>2,645</b>	<b>46,634</b>	<b>134,385</b>
At 31 March 2012	85,326	2,703	46,627	134,656

Net book value of land and buildings and investment properties comprises

	2013 £'000	2012 £'000
Freehold	73,963	74,032
Long leasehold (more than 50 years unexpired)	13,788	13,997
	<b>87,751</b>	<b>88,029</b>
<b>Non-depreciating assets included in land and buildings</b>		
Freehold	29,429	29,101
Long leasehold (more than 50 years unexpired)	6,651	6,645
	<b>36,080</b>	<b>35,746</b>

# E H BOOTH & CO LIMITED

## NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 30 MARCH 2013

### 11 Tangible fixed assets *(continued)*

Company	Land and Buildings £'000	Investment Properties £'000	Fixtures, Plant and Vehicles £'000	Total £'000
<b>Cost or valuation</b>				
At 1 April 2012	100,679	2,045	98,324	201,048
Additions	1,097	-	7,939	9,036
Disposals	(9)	-	(4,122)	(4,131)
Transfers	4	-	(4)	-
<b>At 30 March 2013</b>	<b>101,771</b>	<b>2,045</b>	<b>102,137</b>	<b>205,953</b>
<b>Depreciation</b>				
At 1 April 2012	15,353	-	51,697	67,050
Charge for the year	1,308	-	7,668	8,976
On disposals	-	-	(3,858)	(3,858)
On transfers	4	-	(4)	-
<b>At 30 March 2013</b>	<b>16,665</b>	<b>-</b>	<b>55,503</b>	<b>72,168</b>
<b>Net book value</b>				
<b>At 30 March 2013</b>	<b>85,106</b>	<b>2,045</b>	<b>46,634</b>	<b>133,785</b>
At 31 March 2012	85,326	2,045	46,627	133,998

# **E H BOOTH & CO LIMITED**

## **NOTES TO THE ACCOUNTS *(continued)***

### **FOR THE YEAR ENDED 30 MARCH 2013**

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#### **11 Tangible fixed assets *(continued)***

Net book value of land and buildings and investment properties comprises

	<b>2013 £'000</b>	<b>2012 £'000</b>
Freehold	<b>73,363</b>	73,374
Long leasehold (more than 50 years unexpired)	<b>13,788</b>	13,997
	<b>87,151</b>	87,371
<hr/>		
Non-depreciating assets included in land and buildings		
Freehold	<b>29,429</b>	29,101
Long leasehold (more than 50 years unexpired)	<b>6,651</b>	6,645
	<b>36,080</b>	35,746
	<hr/>	<hr/>

Investment properties held at 30 March 2013 by the company consist of two properties, which were revalued at 9 March 2011 and 30 March 2013 respectively by Robert Pinkus & Co, Chartered Surveyors. The directors do not consider that there has been a material change in the value of the property revalued at 9 March 2011 up to the balance sheet date. For the property revalued at 30 March 2013, the valuation revealed that there had been no change in the value of the property from the last revaluation in 2010. On the historical cost basis the net book value of investment properties held by the company is £93,108 (2012 £93,108).

In addition a further property is held within the group, and was revalued at 30 March 2013 by Robert Pinkus & Co, Chartered Surveyors at £600,000 (2012 £658,000). On the historical cost basis the net book value of investment properties held by the group is £123,139 (2012 £123,139).

# **E H BOOTH & CO LIMITED**

## **NOTES TO THE ACCOUNTS *(continued)***

**FOR THE YEAR ENDED 30 MARCH 2013**

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### **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

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Share of gross assets	<b>4,737</b>	<b>973</b>
Share of gross liabilities	<b>(4,594)</b>	<b>(338)</b>
Share of net worth	<b>143</b>	<b>635</b>
Share of turnover	-	3,963
Share of operating profit	<b>373</b>	<b>920</b>
Share of interest (payable)/receivable	<b>(136)</b>	<b>2</b>
Share of (loss)/profit after taxation and dividends	<b>(492)</b>	<b>678</b>

#### **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 30 March 2013 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) joint venture'.

##### **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 30 MARCH 2013

### 13 Capital commitments

The group had no contracted commitments at the year end (2012 None)

### 14 Stocks

	Group and Company	
	2013	2012
	£'000	£'000
Goods for resale	14,320	14,390

### 15 Debtors

	Group		Company	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Prepayments and accrued income	3,320	3,501	3,292	3,466
Amounts owed by joint venture	827	-	827	-
Amounts owed by group undertaking	-	-	601	627
	4,147	3,501	4,720	4,093

### 16 Creditors – amounts falling due within one year

	Group		Company	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Bank overdraft	1,706	2,612	1,706	2,612
Bank loans	3,700	3,700	3,700	3,700
Trade creditors	26,491	25,444	26,491	25,444
Corporation tax	550	974	544	961
Other taxes and social security costs	1,448	685	1,448	685
Accruals	2,917	1,352	2,913	1,350
Amounts owed to joint venture	-	712	-	712
Preference shares	12	12	12	12
	36,824	35,491	36,814	35,476

# **E H BOOTH & CO LIMITED**

## **NOTES TO THE ACCOUNTS *(continued)***

### **FOR THE YEAR ENDED 30 MARCH 2013**

#### **17 Creditors – amounts falling due after more than one year**

	<b>Group and Company</b>	
	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
<b>Bank loans repayable by instalments:</b>		
Repayable within two years	3,700	3,700
Repayable between two and five years	51,050	51,750
Repayable after five years	-	-
	<b>54,750</b>	<b>55,450</b>

The loans repayable are due in instalments over the next three years (2012 four years) Instalments are payable at a rate of £925,000 per quarter (2012 £925,000 per quarter) 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

#### **18 Provision for liabilities and charges**

<b>Deferred taxation</b>	<b>Group</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Balance brought forward	3,885	4,004	3,885	4,004
Movement to the profit and loss account	(176)	(119)	(176)	(119)
Balance carried forward	<b>3,709</b>	<b>3,885</b>	<b>3,709</b>	<b>3,885</b>
The deferred taxation provision represents				
Accelerated capital allowances	3,262	3,489	3,262	3,489
Other timing differences	447	396	447	396
	<b>3,709</b>	<b>3,885</b>	<b>3,709</b>	<b>3,885</b>

# E H BOOTH & CO LIMITED

## NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 30 MARCH 2013

### 19 Share capital

	Group		Company	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
<b>Equity:</b>				
Ordinary shares of £1 each	1,256	1,256	1,256	1,256
<b>Non-equity:</b>				
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 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
Profit for the year	-	-	2,561	2,561
Dividends	-	-	(289)	(289)
Actuarial loss relating to pension scheme	-	-	(5,402)	(5,402)
Deferred tax movement associated with actuarial loss	-	-	1,167	1,167
Revaluation this year	-	(58)	-	(58)
At 30 March 2013	1,256	2,523	55,361	59,140

# E H BOOTH & CO LIMITED

## NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 30 MARCH 2013

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

<b>Attributable to:</b>	<b>2013 £'000</b>	<b>2012 £'000</b>
Equity shareholders	<u>59,140</u>	<u>61,161</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	65,782	64,413
Pension liability	<u>(10,421)</u>	<u>(7,089)</u>
Profit and loss account reserve including pension liability	<u>55,361</u>	<u>57,324</u>

<b>Company</b>	<b>Share capital £'000</b>	<b>Revaluation reserve £'000</b>	<b>Profit &amp; loss account £'000</b>	<b>Total £'000</b>
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	1,256	1,952	57,266	60,474
Profit for the year	-	-	3,030	3,030
Dividends	-	-	(289)	(289)
Actuarial loss relating to pension scheme	-	-	(5,402)	(5,402)
Deferred tax movement associated with actuarial loss	-	-	1,167	1,167
Revaluation this year	-	-	-	-
<b>At 30 March 2013</b>	<u><b>1,256</b></u>	<u><b>1,952</b></u>	<u><b>55,772</b></u>	<u><b>58,980</b></u>

<b>Attributable to:</b>	<b>2013 £'000</b>	<b>2012 £'000</b>
Equity shareholders	<u>58,980</u>	<u>60,474</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	66,193	64,355
Pension liability	<u>(10,421)</u>	<u>(7,089)</u>
Profit and loss account reserve including pension liability	<u>55,772</u>	<u>57,266</u>

# E H BOOTH & CO LIMITED

## NOTES TO THE ACCOUNTS *(continued)*

### FOR THE YEAR ENDED 30 MARCH 2013

#### 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

	2013 £'000	2012 £'000
Operating profit	6,431	9,599
Amortisation	319	319
Depreciation	8,976	7,951
Loss on disposal of tangible fixed assets	245	33
Other profits on disposal of property interests	(135)	(1,197)
Pension contributions paid in excess of current year service cost	(1,065)	(1,000)
Share of operating profit of joint venture	(373)	(920)
Decrease /(Increase) in stocks	70	(149)
(Increase) /Decrease in debtors	(646)	484
Increase in creditors	2,663	1,318
	<b>16,485</b>	<b>16,438</b>

#### 22 Reconciliation of net cash flow to movement in net debt

	2013 £'000	2012 £'000
Increase in cash in the period	3,180	3,833
Cashflow from debt and lease financing	700	(6,156)
Change in net debt in the period	3,880	(2,323)
Net debt at 1 April 2012	(54,890)	(52,567)
<b>Net debt at 30 March 2013</b>	<b>(51,010)</b>	<b>(54,890)</b>

# E H BOOTH & CO LIMITED

## NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 30 MARCH 2013

### 23 Analysis of changes in net debt

	At 1 April 2012 £'000	Cash Flows £'000	Other Changes £'000	At 30 March 2013 £'000
<b>Net Cash</b>				
Cash at bank & in hand	6,884	2,274	-	9,158
Bank overdraft	(2,612)	906	-	(1,706)
	4,272	3,180	-	7,452
<b>Debt</b>				
Preference shares	(12)	-	-	(12)
Loans due within one year	(3,700)	3,700	(3,700)	(3,700)
Loans due after one year	(55,450)	(3,000)	3,700	(54,750)
	(59,162)	700	-	(58,462)
<b>Total</b>	(54,890)	3,880	-	(51,010)

### 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 2012 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 £83,486 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 £418,257 (2012 £483,212).

# E H BOOTH & CO LIMITED

## NOTES TO THE ACCOUNTS *(continued)*

### FOR THE YEAR ENDED 30 MARCH 2013

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#### 24 Pensions *(continued)*

In 2013/14, the company expects to contribute £2,694,000, excluding reimbursement of administration and professional costs, assuming £600,000 actual member contributions into the scheme

#### Balance sheet liability

The principal assumptions used for the FRS 17 actuarial valuation were

	2013 %	2012 %
Expected return on scheme assets	6.00	6.10
Rate of increase in salaries	3.20	4.20
Rate of increase in deferred pensions	2.50	2.20
Rate of increase in pensions in payment	3.20	3.20
Discount rate	4.20	5.00
Inflation assumption	3.20	3.20

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

	2013 £'000	2012 £'000
Secured pension assets	3,316	3,299
Equities	23,304	19,613
Bonds	20,275	18,552
Hedge Funds	6,517	8,138
OEICS – convertible bonds	5,996	3,854
Cash	306	704
Other	<u>119</u>	<u>119</u>
<b>Total fair value of assets</b>	<b>59,833</b>	<b>54,279</b>
<b>Present value of scheme liabilities</b>	<b><u>(73,367)</u></b>	<b><u>(63,606)</u></b>
<b>Deficit in the scheme</b>	<b>(13,534)</b>	<b>(9,327)</b>
Related deferred tax asset	<u>3,113</u>	<u>2,238</u>
<b>Net pension liability</b>	<b><u>(10,421)</u></b>	<b><u>(7,089)</u></b>

# E H BOOTH & CO LIMITED

## NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 30 MARCH 2013

### 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

	2013 £'000	2012 £'000
Balance brought forward	2,238	737
Movement to the P&L account	(292)	(336)
Movement to the STRGL	<u>1,167</u>	<u>1,837</u>
<b>Balance carried forward</b>	<b>3,113</b>	<b>2,238</b>
	<b>2013 £'000</b>	<b>2012 £'000</b>
<b>Changes in the fair value of scheme assets are as follows:</b>		
Opening fair value of scheme assets	54,279	51,489
Expected return on assets	3,325	3,258
Gain/(loss) on asset return	2,147	(1,826)
Employer contributions (gross)	2,620	2,817
Death in service insurance premiums paid	(119)	(127)
Expenses paid by scheme	(167)	(424)
Employee contributions	292	329
Change in annuitant value due to scheme experience	(166)	(135)
Transfer values paid into the scheme	28	-
Benefits paid	<u>(2,406)</u>	<u>(1,102)</u>
<b>Closing fair value of scheme assets</b>	<b>59,833</b>	<b>54,279</b>
	<b>2013 £'000</b>	<b>2012 £'000</b>
<b>Changes in the present value of scheme liabilities are as follows:</b>		
Opening present value of scheme liabilities	(63,606)	(54,322)
Current accrual cost	(1,561)	(1,595)
Interest cost	(3,195)	(3,100)
Experience gain/(loss) on liabilities	1,032	(2,504)
Loss on changes in assumptions	(8,581)	(3,322)
Change in annuitant value due to scheme experience	166	135
Transfer values paid into the scheme	(28)	-
Benefits paid	<u>2,406</u>	<u>1,102</u>
<b>Closing present value of scheme liabilities</b>	<b>(73,367)</b>	<b>(63,606)</b>



# E H BOOTH & CO LIMITED

## NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 30 MARCH 2013

### 24 Pensions *(continued)*

	2013 £'000	2012 £'000
<b>Changes in the scheme deficit are as follows:</b>		
Opening deficit in the scheme	(9,327)	(2,833)
Current service cost	(1,388)	(1,393)
Expected return on assets	3,325	3,258
Interest cost	(3,195)	(3,100)
Actuarial loss	(5,402)	(7,652)
Employer contributions (gross)	2,620	2,817
Expenses paid by scheme	<u>(167)</u>	<u>(424)</u>
<b>Closing deficit in the scheme</b>	<b>(13,534)</b>	<b>(9,327)</b>

	2013 £'000	2013 £'000	2012 £'000	2012 £'000
<b>Analysis of the charge recognised in the Profit &amp; Loss account under FRS17:</b>				
Current service cost		(1,388)		(1,393)
Expenses paid by scheme		<u>(167)</u>		<u>(424)</u>
		(1,555)		(1,817)
Interest on pension scheme liabilities	(3,195)		(3,100)	
Expected return on pension scheme assets	<u>3,325</u>		<u>3,258</u>	
Net finance credit		<u>130</u>		<u>158</u>
		(1,425)		(1,659)

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

Gain/(loss) on asset return	2,147	(1,826)
Experience gain/(loss) on liabilities	1,032	(2,504)
Loss on changes in assumptions	<u>(8,581)</u>	<u>(3,322)</u>
	<u>(5,402)</u>	<u>(7,652)</u>

# E H BOOTH & CO LIMITED

## NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 30 MARCH 2013

### 24 Pensions *(continued)*

Historical amounts for current and previous four periods:

	2013 £'000	2012 £'000	2011 £'000	2010 £'000	2009 £'000
Fair value of scheme assets	59,833	54,279	51,489	46,144	37,608
Present value of scheme liabilities	(73,367)	(63,606)	(54,322)	(52,141)	(40,182)
Deficit	(13,534)	(9,327)	(2,833)	(5,997)	(2,574)
Experience gain/(loss) on scheme liabilities	1,032	(2,504)	(413)	(535)	(1,112)

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 £333,612 (2012 £271,886)

### 25 Operating lease commitments

At 30 March 2013 the Group had minimum annual commitments under non-cancellable operating leases as follows:

	2013 £'000 Land and buildings	2013 £'000 Other items	2012 £'000 Land and buildings	2012 £'000 Other items
Commitments expiring within one year	-	-	-	-
Commitments expiring within 2-5 years	-	-	-	-
Commitments expiring after more than 5 years	2,538	-	2,223	-
	2,538	-	2,223	-