

E H BOOTH & CO LIMITED
DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED
29 MARCH 2014

SATURDAY



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COMPANIES HOUSE

E H BOOTH & CO LIMITED

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E H BOOTH & CO LIMITED

COMPANY DETAILS

Directors

E J Booth, DL (Chairman)
S K Booth
D G Booth
C J Dee
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 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 17 September 2014 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 29 March 2014.
- 3 To confirm the payment of the interim dividend paid on 29 March 2014.
- 4 To declare a final dividend.
- 5 To re-elect the auditors and authorise the directors to fix their remuneration.
- 6 To fix the fair value of the shares for the ensuing year.
- 7 To transact any other ordinary business.

By order of the board on 6 August 2014



J A P Vandermeer – Secretary

Central Office
Longridge Road
Ribbleson
Preston
PR2 5BX

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

E H BOOTH & CO LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 29 MARCH 2014

REVIEW AND DEVELOPMENT OF THE BUSINESS

Despite a modest gain in sales of just over 1%, the business has produced a solid result against the backdrop of a market which remains extremely tight with there being no Easter holiday within the year. The operating profit is broadly similar to the previous year on a like-for-like basis but the underlying trading performance has improved further and enabled a continued focus on refining the quality of operations and developing modern customer-facing sales initiatives. The grocery industry is undoubtedly going to face significant structural change and it is our intention to ensure that Booths capitalises on its strengths and provides customers with an increasingly interactive relationship with the business and a choice of channels through which to purchase their goods.

Over the Christmas period, we offered a range of high quality Hampers which were made available for delivery throughout the mainland and our whole seasonal marketing exercise was underpinned by a beautiful Christmas book, which drove our sales ahead of the market by 6.1%. Goods featured in the book were available through the stores on a Click & Collect basis and for 2014 they are also to be made available for delivery throughout the United Kingdom. In addition, we took the opportunity to launch over 200 new Booths Own Label products and there is now a concerted push to put Booths products at the core of our grocery offer.

There has been continued work to refine administrative processes in the Buying department which is resulting in Buyers being released to spend more time negotiating and developing new product ideas with suppliers.

During the year we launched the "Booths Card" and in December offered Booths "Price Match" to our customers in order to enable them to buy their favourite brands at comparable prices to the major multiples. This, in conjunction with a raft of benefits, has driven a participation rate of 50%. It is our intention to use this platform to stimulate a dialogue with our customers that will encompass many facets of what makes Booths special and not just our competitive pricing stance.

In November, we acquired the Sharrocks business, which had been supplying the group with produce for over 35 years. This process was managed by a senior team with support from Trading and Central Operations. This has been completed successfully and there is now an investment programme to refine operations and further integrate them into the Booths central warehousing and delivery services.

Although there have not been any new stores opened during this year, there has been a great deal of work undertaken to bring forward projects which will mature in 2014/15. We are about to enter the strongest phase of openings in the group's history, starting with Barrowford in December 2014 and Hale Barns in March 2015. There will then be 3 further stores opening in the next financial year (2015/16) at Burscough, St Annes and Poulton-le-Fylde. The Poulton-le-Fylde store is to be accommodated within the refurbished Teanlowe Centre, whose development has been handled through a joint venture between the group and Maple Grove Developments Ltd. The store on Heyhouses Lane, St Annes, is to be a replacement for our old unit in Woodlands Road, Ansdell.

I mentioned in last year's report that David Benson had retired as Retail Director to be succeeded by Paul Minett. Paul joined us in May 2013 and is making excellent headway in providing modern leadership throughout the retail estate. He has introduced rigour to store operations and challenges all operations that support Retail to provide the best possible service. He is taking great pride in his work and he is a welcome addition to the Operating Board.

E H BOOTH & CO LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 29 MARCH 2014

REVIEW AND DEVELOPMENT OF THE BUSINESS (*continued*)

The Central Operations team have made a supreme effort to support the demands of the stores and they have been ably supported by the HR Business Partners. There has been continued investment in our supply chain with improved forecasting tools, a new supplier extranet and the introduction of EDI, which will have full effect on the 2014/15 financial year.

During the year, we integrated "E-receipts" into our store till systems, which enabled the Booths Card and subsequent price match offer to become a cornerstone of the relationship with our customers. This project won our business national recognition when we were chosen as the "Retail Week Multi Channel Service of the Year 2014".

We introduced self-checkouts into 7 stores, with up to 50% of shoppers choosing to use them at Media City in Salford. These facilities are to become a standard feature in all the new Booth stores.

At the start of the new financial year, Andrew Rafferty (IT and Supply Control Director) took on a new responsibility to exploit new channels in Digital Trading and e-commerce. This is as a precursor to the structural changes in our industry to which I have already referred. It is our intention to ensure the quality of the Booths offer and the values embedded within it are put before consumers in an attractive, relevant and interactive manner.

The HR team has been considerably strengthened and they are now effective in supporting personal and team development in every corner of the business. With the considerable number of new store developments on the horizon, the HR department will be elemental in supporting recruitment processes and providing training platforms for new staff.

The group continues to support many organisations and groups within our trading footprint and Jacq Lunardi has taken my place as a Director on the Business in the Community North West Advisory Board. I remain a Trustee of The Princes Countryside Fund and work with the Marketing team to manage our community support programme.

We continue to be supported in our environmental work by Mike Berners-Lee from Small World Consulting and he and his team are in the process of producing our third report into greenhouse gas emissions at Booths. Our reporting methodology is extremely comprehensive and acknowledged to be the most sophisticated in our industry.

E H BOOTH & CO LIMITED

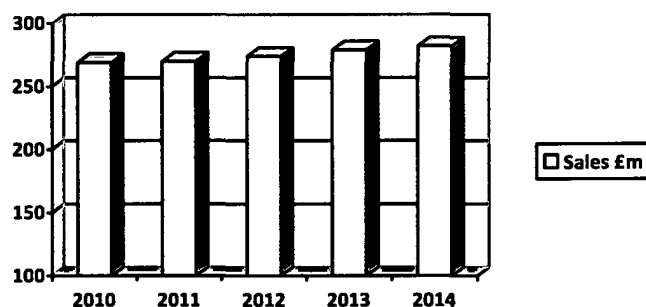
STRATEGIC REPORT

FOR THE YEAR ENDED 29 MARCH 2014

KEY FINANCIAL INDICATORS

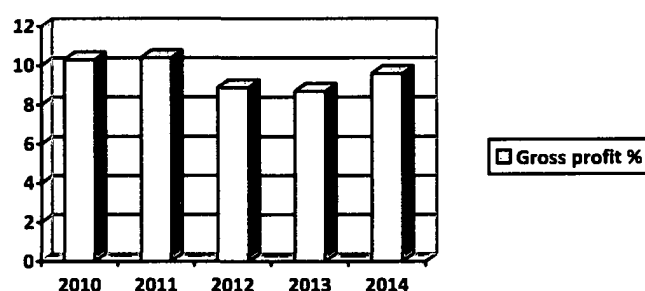
Sales

Sales were up on last year by 1.1%, due to a full year of sales from the new Milnthorpe store and also the launch of the Booths Card prior to Christmas and the benefits this offered to our customers. The economic conditions are slowly improving; however, disposable incomes remain flat with competition from other retailers continuing to challenge sales growth.



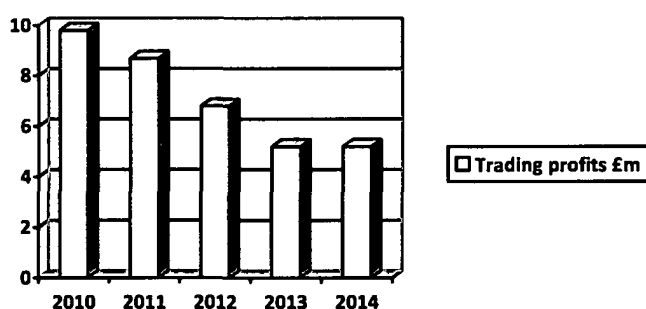
Gross margin

The group has worked particularly hard on improving its gross margin over the last 12 months. Working hand in hand with our suppliers we have managed to improve efficiencies and drive costs out of our business. We have also reduced staff operating hours in store by looking at our processes and procedures and making them more efficient.



Trading profits

Trading profits are largely unchanged from the previous year, despite the introduction of pension auto enrolment and the associated additional costs. The trading team have continued to improve margins and store focus on operating efficiencies has driven considerable cost savings. A bonus was paid to all qualifying staff this year.



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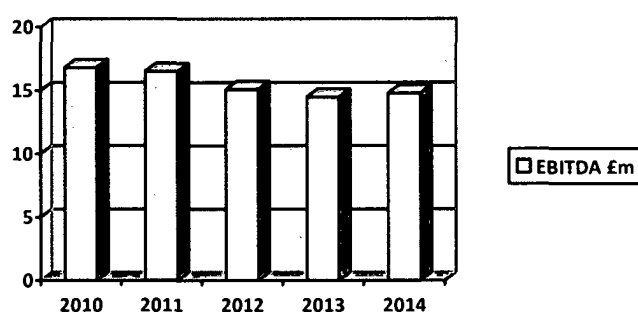
STRATEGIC REPORT

FOR THE YEAR ENDED 29 MARCH 2014

KEY FINANCIAL INDICATORS *(continued)*

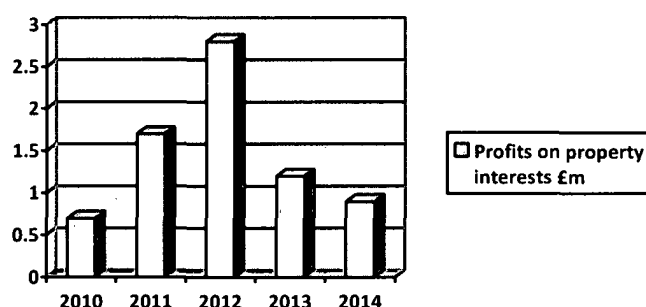
EBITDA

Earnings before Interest, Tax, Depreciation and Amortisation (excluding profits on property interests) at £14.8m is 2.1% up on last year. Underlying EBITDA has improved despite the additional pension costs and the set up expenses of introducing the Booths Card.



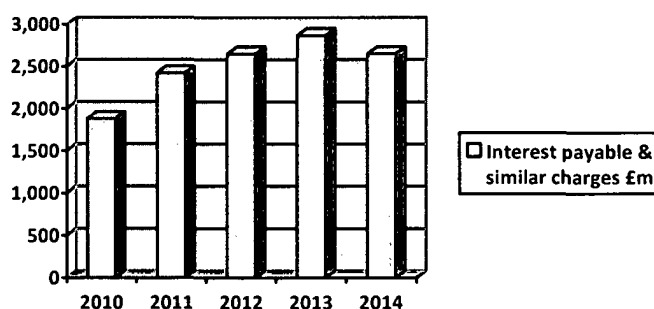
Profits on property interests

Profits from property interests were down to £0.9m. Rental income from retail units adjoining our retail estate was up slightly on last year. However, the share of profit from our joint venture development with Maple Grove developments was down due to the redevelopment of the Teanlowe Centre commencing.



Bank interest payable

Interest and related charges fell by £0.2m to £2.7m which was in contrast to net debt, which grew from £51m to £59m as we increased our capital expenditure. Most of the increase in borrowings was towards the end of the year and we also benefited from a full year of the 2 interest rate swaps which matured last year.



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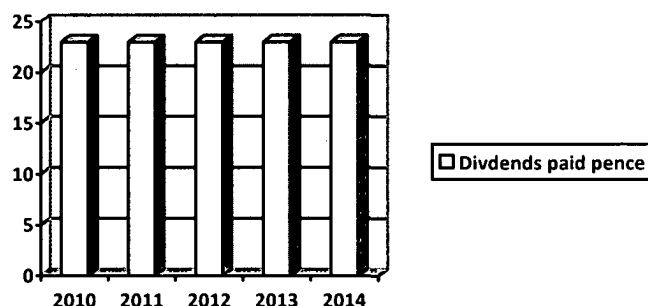
STRATEGIC REPORT

FOR THE YEAR ENDED 29 MARCH 2014

KEY FINANCIAL INDICATORS *(continued)*

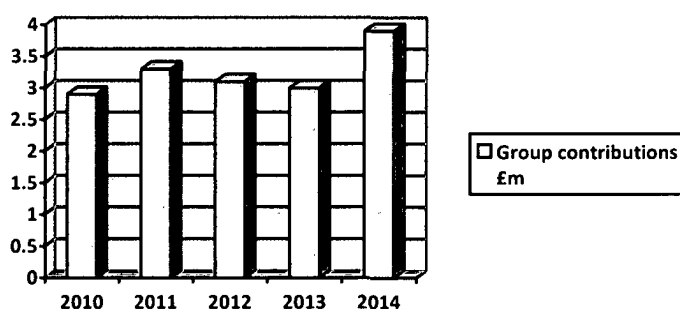
Dividends paid

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.



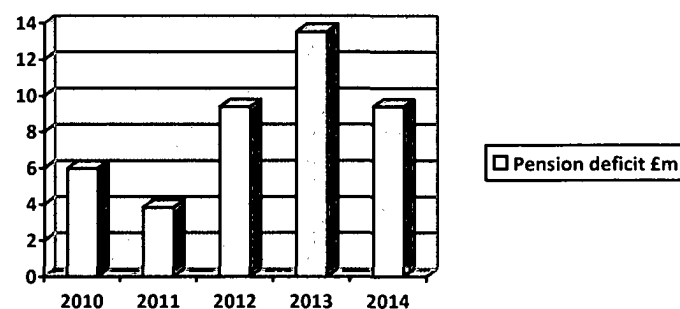
Group pension contributions

Cash contribution to group pension schemes have risen by £0.9m to £3.9m. The introduction of pension auto enrolment accounts for £0.6m of the increase. Following the completion of the formal actuarial valuation and the asset backed funding arrangement, contributions to the defined benefit scheme have increased by £0.3m.



Pension deficit

The defined benefit pension scheme deficit has reduced from £13.5m to £9.3m. Returns on pension scheme assets have performed well over the last 12 months and liabilities, whilst increasing, have not increased by as much as in previous years.



E H BOOTH & CO LIMITED

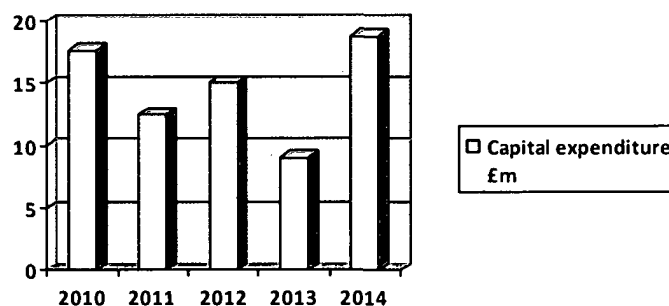
STRATEGIC REPORT

FOR THE YEAR ENDED 29 MARCH 2014

KEY FINANCIAL INDICATORS *(continued)*

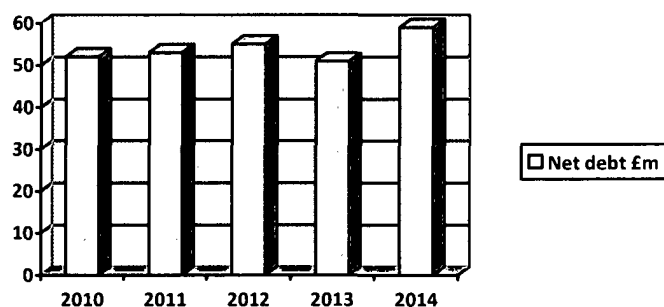
Capital expenditure

Spending on capital items during the year totalled £18.8m, with the acquisition of land in South Lancaster accounting for a large portion of the spend. A café was introduced at the Carnforth store and self-service checkouts were rolled out to a number of stores. Energy saving initiatives, including solar panels at the central warehouse, were some of the other areas of capital spend.



Net debt

Net debt increased from £51m to £59m. £3.7m of the term loan was repaid in the year, with £11m drawdown from the revolving credit facility. Currently £9m of the facility remains undrawn.



E H BOOTH & CO LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 29 MARCH 2014

PRINCIPAL RISKS AND UNCERTAINTIES

The risk management strategy is closely aligned to the philosophy of the business run on conservative principles and good governance. Risk is an inherent part of doing business and is based on a balance of risk and reward through careful assessment of both the potential likelihood and also impact. Consideration is given to both financial and reputational risk.

Financial

Economic

As a food retailer based in the UK, the business is particularly exposed to economic downturn but more specifically a downturn in the spending power of consumers in the North West. Maintaining the highest level of customer service and product quality, together with the introduction of a Booths Loyalty card with a Price Match promise has enabled this risk to be mitigated.

Funding and liquidity

Funding requirements are managed for both the short term and long term cash flow needs of the business. The trading patterns and business plans, together with budgets, are considered alongside the facility currently agreed with our banking relationship partners. Details of the group's borrowings are provided on page 35.

Interest rate risk

Interest rate risks are mitigated by taking out interest rate swaps, which hedge against significant fluctuations in rates.

Foreign currency

The group has limited exposure to foreign currency fluctuations however forward exchange contracts are entered into for major foreign currency exposure.

Energy risk

The business operates risk management processes for the procurement of both Electricity and Gas contracts.

Business continuity and disaster recovery

A disaster recovery plan is in place to deal with any major event that would disrupt the running of the business. In addition to individual stores, this covers significant incidents within the central operations that support the stores including IT and the Central Warehouses.

Reputational risk

Adverse publicity in relation to the brand could have a detrimental impact on the group's reputation and future sales and profits. It is the group's policy to ensure that employees operate within safe and legal guidelines for product and working standards and these are reviewed regularly by the Board and Senior Management.

E H BOOTH & CO LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 29 MARCH 2014

Financial Year 2014/15

It is my hope that, against the backdrop of the improving United Kingdom economy, Booths will be able to capitalise on improving consumer sentiment. Trading in the first quarter however has been tough and it will be incumbent on every member of the business to strive hard in pursuing a satisfactory outturn for 2014/15. There are however some excellent initiatives which will build on last year's successes and hopefully encourage increased customer spend over the next 6 months.

In March we welcomed Kevin Roberts as an observer to the family board performing the role of "Creative Advisor". Kevin brings with him a wealth of consumer experience and expertise in leadership.

At a time when peers in our industry are experiencing serious business issues, I am proud that Booths has remained true to its core values and expressed these with an increasingly modern approach to retailing. We compete against large national and international institutionalised businesses and by being swift on our feet and inspirational to our customers, we will continue to carve a niche in the market. I am ably supported by a strong team of colleagues and would like to take this opportunity of thanking them all for the effort they put in to make Booths the retailer of choice for so many customers.



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

6 August 2014

E H BOOTH & CO LIMITED

REPORT OF THE DIRECTORS

The directors have pleasure in submitting their one hundred and seventeenth annual report, together with the audited accounts for the group for the year ended 29 March 2014.

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 £3.0m (2013: £2.6m).

Particulars of dividends paid and proposed are detailed in note 9 to the accounts.

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 £109,235 (2013: £166,648).

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.

Future developments

At the end of the financial year the assets and liabilities of Booths Riversway Ltd were hived up into E H Booth & Co Ltd. Over the next 18 months the group is planning to open an unprecedented 5 new stores, 2 being replacements for smaller stores. There will also be a focus on enhancing our e-commerce offering in the coming months which will set us up nicely for the important Christmas trading period. The group is always aware of its financing needs and with the extensive build programme will be reviewing its funding options with its banks over the coming months.

Directors

The directors who served during the year are shown below:

E J Booth, DL (Chairman)
S K Booth
D G Booth
C J Dee
J A P Vandermeer

E H BOOTH & CO LIMITED

REPORT OF THE DIRECTORS

Directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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;
- 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:

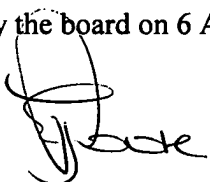
- there is no relevant audit information of which the group's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the group's auditors are aware of that information.

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 6 August 2014 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 29 March 2014 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 page 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 29 March 2014, 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

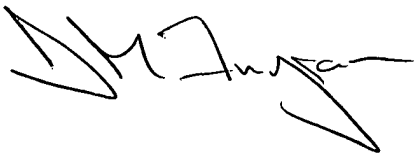
Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and 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

6 August 2014

E H BOOTH & CO LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 29 MARCH 2014

	Note	2014 £'000	2013 £'000
Turnover	1	282,204	278,945
Cost of sales		<u>(255,077)</u>	<u>(254,541)</u>
Gross profit		27,127	24,404
Administrative expenses		<u>(21,964)</u>	<u>(19,215)</u>
		5,163	5,189
Profit on property interests	2	<u>919</u>	<u>1,242</u>
Operating profit	3	6,082	6,431
Net finance credit on pension scheme assets and liabilities		517	130
Interest payable	4	<u>(2,652)</u>	<u>(2,869)</u>
Profit on ordinary activities before taxation		3,947	3,692
Tax on profit on ordinary activities	7	<u>(948)</u>	<u>(1,131)</u>
Profit on ordinary activities after taxation	20	<u>2,999</u>	<u>2,561</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 29 MARCH 2014

	Note	2014	2013
		£'000	£'000
Profit for the financial year		2,999	2,561
Unrealised deficit on revaluation of investment properties	11	(820)	(58)
Actuarial gain / (loss) on pension scheme	25	2,745	(5,402)
Deferred tax (charge) / credit on actuarial gain/(loss)	25	(939)	1,167
Acceleration of deferred tax credit arising from creation of Central Asset Reserve	25	<u>2,137</u>	<u>-</u>
Total recognised gains and losses for the year		<u>6,122</u>	<u>(1,732)</u>

E H BOOTH & CO LIMITED

GROUP BALANCE SHEET

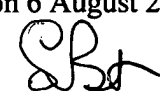
Company No: 00049933

AS AT 29 MARCH 2014

	Note	2014 £'000	2013 £'000
Fixed assets			
Intangible assets	10	2,745	2,691
Tangible assets	11	142,843	134,385
Investment in joint venture	12	234	143
		<u>145,822</u>	<u>137,219</u>
Current assets			
Stocks	14	17,033	14,320
Debtors	15	4,226	4,147
Cash at bank & in hand		<u>7,012</u>	<u>9,158</u>
		28,271	27,625
Creditors – amounts falling due within one year	16	<u>(37,378)</u>	<u>(36,824)</u>
Net current liabilities		<u>(9,107)</u>	<u>(9,199)</u>
Total assets less current liabilities		136,715	128,020
Creditors – amounts falling due after more than one year	17	<u>(62,356)</u>	<u>(54,750)</u>
		74,359	73,270
Provision for liabilities and charges	18	<u>(104)</u>	<u>(3,709)</u>
Net assets excluding pension liability		74,255	69,561
Pension liability	25	<u>(9,282)</u>	<u>(10,421)</u>
Net assets including pension liability		<u>64,973</u>	<u>59,140</u>
Capital and reserves			
Called up share capital	19	1,256	1,256
Revaluation reserve	20	1,703	2,523
Profit and loss account	20	<u>62,014</u>	<u>55,361</u>
Shareholders' funds	20	<u>64,973</u>	<u>59,140</u>

These accounts were approved and authorised for issue by the board on 6 August 2014.


E J Booth – Director


S K Booth – Director

E H BOOTH & CO LIMITED

GROUP CASHFLOW STATEMENT

FOR THE YEAR ENDED 29 MARCH 2014

	Note	2014 £'000	2013 £'000
Net cash inflow from operating activities	21	14,682	16,485
Dividends received from joint venture		-	747
Returns on investments and servicing of finance			
Interest paid		(2,494)	(2,733)
Net cash outflow from returns on investments and servicing of finance		(2,494)	(2,733)
Taxation			
Corporation tax paid		(956)	(1,457)
Capital expenditure and financial investment			
Payments made to acquire tangible fixed assets		(15,840)	(9,036)
Receipts from sale of property interests and tangible fixed assets		125	163
Net cash outflow from capital expenditure and financial investment		(15,715)	(8,873)
Acquisitions and disposals		(4,483)	4,169
Purchase of subsidiary undertaking	24	(3,014)	-
Cash acquired with subsidiary	24	103	-
Net cash outflow from acquisitions and disposals		(2,911)	-
Equity dividends paid		(289)	(289)
Net cash (outflow) / inflow before financing		(7,683)	3,880
Financing			
Loan advances	23	11,000	3,000
Loan repayments	23	(3,715)	(3,700)
Capital element of finance leases	23	(42)	-
Net cash inflow / (outflow) from financing		7,243	(700)
(Decrease) / increase in cash	23	(440)	3,180

E H BOOTH & CO LIMITED

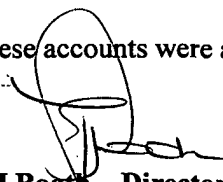
COMPANY BALANCE SHEET

Company No: 00049933

AS AT 29 MARCH 2014

	Note	2014 £'000	2013 £'000
Fixed assets			
Intangible assets	10	2,745	2,691
Tangible assets	11	128,944	133,785
Investments	12	7,202	-
		138,891	136,476
Current assets			
Stocks	14	17,033	14,320
Debtors – amounts falling due within one year	15	5,130	4,720
Debtors – amounts falling due after more than one year	15	19,989	-
Cash at bank & in hand		6,858	9,158
		49,010	28,198
Creditors – amounts falling due within one year	16	(39,495)	(36,814)
Net current assets		9,515	(8,616)
Total assets less current liabilities		148,406	127,860
Creditors – amounts falling due after more than one year	17	(62,356)	(54,750)
		86,050	73,110
Provision for liabilities and charges	18	(104)	(3,709)
Net assets excluding pension liability		85,946	69,401
Pension liability	25	(9,282)	(10,421)
Net assets including pension liability		76,664	58,980
Capital and reserves			
Called up share capital	19	1,256	1,256
Revaluation reserve	20	1,132	1,952
Profit and loss account	20	74,276	55,772
Shareholders' funds	20	76,664	58,980

These accounts were approved and authorised for issue by the board on 6 August 2014.


E J Booth – Director


S K Booth – Director

E H BOOTH & CO LIMITED

ACCOUNTING POLICIES

FOR THE YEAR ENDED 29 MARCH 2014

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.

After making the appropriate enquiries, the directors have concluded that the group will be able to meet its financial obligations and will continue to generate positive free cash flow for the foreseeable future and therefore have a reasonable expectation the company and group overall have adequate resources to continue in operational existence for the foreseeable future and, accordingly, consider it appropriate to adopt the going concern basis in preparing the accounts.

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 periods not exceeding 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.

E H BOOTH & CO LIMITED

ACCOUNTING POLICIES

FOR THE YEAR ENDED 29 MARCH 2014

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 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% – 20% 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.

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 group personal pension plan. Contributions to this scheme are charged to the Profit and Loss Account as they fall due.

E H BOOTH & CO LIMITED

ACCOUNTING POLICIES

FOR THE YEAR ENDED 29 MARCH 2014

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 29 MARCH 2014

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 (2013: 52 weeks).

2 Profit on property interests

	2014	2013
	£'000	£'000
Share of operating profit of joint venture (Note 12)	279	373
Other (losses) / profits on disposal of property interests	(108)	135
Net rental income	<u>748</u>	<u>734</u>
	919	1,242

3 Operating profit

	2014	2013
	£'000	£'000
Operating profit is stated after charging:		
Depreciation on owned tangible fixed assets	9,282	8,976
Amortisation of goodwill	345	319
Loss on disposal of tangible fixed assets	-	245
Auditor's remuneration:		
• Fees payable to the auditor for the audit of the accounts	40	33
• Fees payable to the auditor for other services:		
- Taxation	26	41
- Other	1	1
Operating lease rentals of:		
• Land and buildings	2,538	2,562

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS (*continued*)

FOR THE YEAR ENDED 29 MARCH 2014

4	Interest payable	2014	2013
		£'000	£'000
	On bank loans and overdrafts	2,652	2,869
		<hr/>	<hr/>
5	Directors' remuneration	2014	2013
		£'000	£'000
	Total directors' emoluments (including benefits in kind)	1,483	1,386
		<hr/>	<hr/>
	Highest Paid Director – emoluments	396	354
		<hr/>	<hr/>
	As at 29 March 2014 the Highest Paid Director had accrued pension rights of £199,433 (2013: £195,845) and an accrued lump sum of £806,519 (2013: £792,009).		
6	Employees	2014	2013
		£'000	£'000
	Staff costs during the year amounted to:		
	Wages and salaries	38,141	37,607
	Social security costs	2,505	2,267
	Other pension costs	2,924	1,889
		<hr/>	<hr/>
		43,570	41,763
		<hr/>	<hr/>
	Breakdown of the average number of employees:	No.	No.
	Central office administration	117	109
	Selling and distribution	2,874	2,865
		<hr/>	<hr/>
		2,991	2,974
		<hr/>	<hr/>

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 29 MARCH 2014

7 Tax on profits on ordinary activities

	2014	2013
(a) Analysis of tax charge in year	£'000	£'000
Current year		
UK corporation tax at 23% (2013 : 24%)	474	1,336
Deferred tax charge / (credit)	715	(295)
Deferred tax charge in respect of pension scheme	301	275
	<u>1,490</u>	<u>1,316</u>
Prior periods		
UK corporation tax	(33)	(321)
Deferred tax adjustment arising out of the reduction in the future corporation tax rate from 23% to 20%	(485)	-
Deferred tax (credit) / charge	(41)	119
Deferred tax charge in respect of pension scheme	17	17
	<u>948</u>	<u>1,131</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>3,947</u>	<u>3,692</u>
UK corporation tax at the standard rate 23% (2013 : 24%)	908	886
Depreciation for the year in excess of capital allowances	485	370
Disallowed depreciation on non-qualifying assets	455	497
Expenses not deductible / (non-taxable) for tax purposes	49	(27)
Timing differences on pension liability movements	(1,097)	(287)
Other timing differences	(326)	(103)
	<u>474</u>	<u>1,336</u>

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 29 MARCH 2014

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 £14,850k (2013: £3,030k). The profit after tax in the parent company for the current year includes the profit on the sale of properties to the E H Booth Scottish Limited Partnership of £11,654k. Further details can be found in notes 15 and 25 to the accounts.

9 Dividends

	2014 £'000	2013 £'000
Year ended 30 March 2013		
Final paid at 19p per share (2013: 19p per share)	239	239
Year ended 29 March 2014		
Interim paid at 4p per share (2013: 4p per share)	50	50
	289	289

10 Intangible fixed assets

	Goodwill £'000
Group and Company	
Cost	
At 31 March 2013	5,451
Additions	399
At 29 March 2014	5,850
Amortisation	
At 31 March 2013	2,760
Charge for the year	345
At 29 March 2014	3,105
Net book value	
At 29 March 2014	2,745
At 30 March 2013	2,691

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 29 MARCH 2014

11 Tangible fixed assets

Group	Land and Buildings £'000	Investment Properties £'000	Fixtures, Plant and Vehicles £'000	Total £'000
Cost or valuation				
At 31 March 2013	101,771	2,645	102,137	206,553
Additions	10,867	-	7,926	18,793
Disposals	-	-	(2,965)	(2,965)
Transfers	261	-	(261)	-
Revaluation	-	(820)	-	(820)
At 29 March 2014	112,899	1,825	106,837	221,561
Depreciation				
At 31 March 2013	16,665	-	55,503	72,168
Charge for the year	1,209	-	8,073	9,282
On disposals	-	-	(2,732)	(2,732)
On transfers	12	-	(12)	-
At 29 March 2014	17,886	-	60,832	78,718
Net book value				
At 29 March 2014	95,013	1,825	46,005	142,843
At 30 March 2013	85,106	2,645	46,634	134,385

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

	2014 £'000	2013 £'000
Freehold	83,264	73,963
Long leasehold (more than 50 years unexpired)	13,574	13,788
	96,838	87,751
Non-depreciating assets included in land and buildings:		
Freehold	34,330	29,429
Long leasehold (more than 50 years unexpired)	6,651	6,651
	40,981	36,080

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 29 MARCH 2014

11 Tangible fixed assets *(continued)*

Company	Land and Buildings £'000	Investment Properties £'000	Fixtures, Plant and Vehicles £'000	Total £'000
Cost or valuation				
At 31 March 2013	101,771	2,045	102,137	205,953
Additions	9,512	-	6,297	15,809
Disposals	(15,012)	-	(2,965)	(17,977)
Transfers	261	-	(261)	-
Transfers on hive-up	1,355	-	1,520	2,875
Revaluation	-	(820)	-	(820)
At 29 March 2014	97,887	1,225	106,728	205,840
Depreciation				
At 31 March 2013	16,665	-	55,503	72,168
Charge for the year	1,079	-	7,964	9,043
On disposals	(1,583)	-	(2,732)	(4,315)
On transfers	12	-	(12)	-
At 29 March 2014	16,173	-	60,723	76,896
Net book value				
At 29 March 2014	81,714	1,225	46,005	128,944
At 30 March 2013	85,106	2,045	46,634	133,785

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 29 MARCH 2014

11 Tangible fixed assets *(continued)*

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

	2014	2013
	£'000	£'000
Freehold	75,107	73,363
Long leasehold (more than 50 years unexpired)	7,832	13,788
	82,939	87,151
<hr/>		
Non-depreciating assets included in land and buildings:		
Freehold	36,430	29,429
Long leasehold (more than 50 years unexpired)	4,551	6,651
	40,981	36,080
	<hr/>	<hr/>

Investment properties held at 29 March 2014 by the company consist of two properties, which were revalued at 30 March 2013 and 29 March 2014 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 30 March 2013 up to the balance sheet date. For the property revalued at 29 March 2014, the valuation revealed that there had been a reduction in the value of the property from the last revaluation in 2011 of £820,000. On the historical cost basis the net book value of investment properties held by the company is £93,108 (2013: £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 (2013: £600,000). On the historical cost basis the net book value of investment properties held by the group is £123,139 (2013: £123,139).

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 29 MARCH 2014

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:

	2014	2013
	£'000	£'000
Share of gross assets	5,085	4,737
Share of gross liabilities	(4,851)	(4,594)
	<hr/>	<hr/>
Share of net worth	234	143
	<hr/>	<hr/>
Share of turnover	-	-
Share of operating profit	279	373
Share of interest (payable)/receivable	(158)	(136)
Share of profit / (loss) after taxation and dividends	91	(492)
	<hr/>	<hr/>

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 29 March 2014 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'.

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 29 MARCH 2014

12 Investments *(continued)*

Company

	Shares in group undertakings £'000	Shares in joint venture £'000	Total £'000
Cost			
At 31 March 2013	-	-	-
Additions	8,097	-	8,097
Impairment	(895)	-	(895)
At 29 March 2014	7,202	-	7,202
Net book value			
At 29 March 2014	7,202	-	7,202
At 30 March 2013	-	-	-

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Holdings of more than 20%

The company holds more than 20% of the ordinary share capital of the following companies:

Company	Country of registration Or incorporation	Principal activity	Shares held %
Subsidiary undertakings			
Booths Riversway Limited	England & Wales	Direct import, food processing and distribution of fresh produce	100
Booths (Lytham) Limited	England & Wales	Property investment	100
E.H. Booth (SLP) General Partner Ltd	Scotland	Investment holding undertaking	
Joint venture			
Booths Partnership Limited	England & Wales	Property development	50

In addition the company has a controlling interest in E H Booth Scottish Limited Partnership, an investment holding undertaking registered in Scotland.

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 29 MARCH 2014

12 Investments *(continued)*

The investment made by the company in the year included a capital contribution of £5m to E H Booth Scottish Limited Partnership (see note 15).

Booths Riversway Limited ceased to trade on 29 March 2014 when its operations were hived up into the business of the parent company.

The group has not taken advantage of the exemption conferred by Regulation 7 of the Partnerships (Accounts) Regulations 2008 and has, therefore, not appended the accounts of this qualifying partnership to these accounts. Separate accounts for the Partnership are not required to be, and have not been, filed at U.K. Companies House.

13 Capital commitments

The group had contracted commitments at the year end totalling £5,674,931 (2013: None).

14 Stocks

	Group and Company	
	2014	2013
	£'000	£'000
Goods for resale	17,033	14,320

15 Debtors

	Group		Company	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
Prepayments and accrued income – amounts falling due within one year	3,149	3,320	3,319	3,292
Prepayments and accrued income – amounts falling after more than one year	-	-	19,989	-
Corporation tax repayable	22	-	187	-
Amounts owed by joint venture	1,055	827	1,055	827
Amounts owed by group undertaking	-	-	569	601
	4,226	4,147	25,119	4,720

In June 2013 the company established the E H Booth Scottish Limited Partnership ('the Partnership') and through the Partnership has entered into a long term pension funding arrangement with the E H Booth & Co Limited Pension & Assurance Scheme.

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 29 MARCH 2014

15 Debtors *(continued)*

The Partnership is controlled by E H Booth & Co Limited, and its results are consolidated by the group. The carrying value of the properties sold to the Partnership are leased back to the company on an operating lease basis and remain included on the group's balance sheet and continue to be depreciated in line with the group's accounting policies with the group retaining full operational control over these properties.

As part of the funding arrangement the company made a one off payment to the Pension Scheme of £20m to allow it to invest in the Partnership and this is treated as a prepayment of pension contributions. Further information on the asset backed funding arrangement is included within note 25. As the Partnership results are consolidated within the group results no prepayment is recognised in the consolidated accounts.

The element of the prepayment classified as current included within the prepayments figure for the company is £17k, the remaining balance of £19.989m is due after more than one year.

16 Creditors – amounts falling due within one year

	Group		Company	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
Bank overdraft	-	1,706	-	1,706
Bank loans	3,746	3,700	3,746	3,700
Trade creditors	25,128	26,491	25,128	26,491
Corporation tax	-	550	-	544
Other taxes and social security costs	1,149	1,448	1,149	1,448
Accruals	7,280	2,917	7,278	2,913
Amounts owed to group undertaking	-	-	2,119	-
Finance leases	63	-	63	-
Preference shares	12	12	12	12
	<u>37,378</u>	<u>36,824</u>	<u>39,495</u>	<u>36,814</u>

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 29 MARCH 2014

17 Creditors – amounts falling due after more than one year

	Group and Company	
	2014 £'000	2013 £'000
Bank loans repayable by instalments:		
Repayable within two years	3,747	3,700
Repayable between two and five years	58,495	51,050
Repayable after five years	84	-
	62,326	54,750
Finance leases repayable by instalments:		
Repayable within two years	30	-
	62,356	54,750

The loans repayable are due in instalments over the next two years (2013: three years). Instalments are payable at a rate of £925,000 per quarter (2013: £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.

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

18 Provision for liabilities and charges

Deferred taxation	Group		Company	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Balance brought forward	3,709	3,885	3,709	3,885
Acquired on acquisition / hive-up	199	-	182	-
Movement to the profit and loss account	189	(176)	206	(176)
Movement to the STRGL on creation of the Central Asset Reserve (note 25)	(3,993)	-	(3,993)	-
Balance carried forward	104	3,709	104	3,709

The deferred taxation provision represents:

Accelerated capital allowances	2,630	3,262	2,630	3,262
Other timing differences	(2,526)	447	(2,526)	447
	104	3,709	104	3,709

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 29 MARCH 2014

19 Share capital

	Group		Company	
	2014	2013	2014	2013
<i>Equity:</i>	£'000	£'000	£'000	£'000
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

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.

20 Reconciliation of shareholders' funds and movement in reserves

Group	Share capital £'000	Revaluation reserve £'000	Profit & loss account £'000	Total £'000
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
Profit for the year	-	-	2,999	2,999
Dividends	-	-	(289)	(289)
Actuarial gain relating to pension scheme	-	-	2,745	2,745
Deferred tax movement associated with actuarial gain	-	-	(939)	(939)
Revaluation this year	-	(820)	-	(820)
Acceleration of deferred tax credit arising from the creation of Central Asset Reserve	-	-	2,137	2,137
At 29 March 2014	1,256	1,703	62,014	64,973

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 29 MARCH 2014

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

Company	Share capital £'000	Revaluation reserve £'000	Profit & loss account £'000	Total £'000
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				
At 30 March 2013	1,256	1,952	55,772	58,980
Profit for the year	-	-	14,850	14,850
Dividends	-	-	(289)	(289)
Actuarial gain relating to pension scheme	-	-	2,745	2,745
Deferred tax movement associated with actuarial gain	-	-	(939)	(939)
Revaluation this year	-	(820)	-	(820)
Acceleration of deferred tax credit arising from the creation of Central Asset Reserve		-	2,137	2,137
At 29 March 2014	1,256	1,132	74,276	76,664

All shareholders funds are attributable to the equity shareholders:

	Group		Company	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
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	71,296	65,782	83,558	66,193
Pension liability	(9,282)	(10,421)	(9,282)	(10,421)
Profit and loss account reserve including pension liability	62,014	55,361	74,276	55,772

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 29 MARCH 2014

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

	2014	2013
	£'000	£'000
Operating profit	6,082	6,431
Amortisation	345	319
Depreciation	9,282	8,976
Loss on disposal of tangible fixed assets	-	245
Other losses/ (profits) on disposal of property interests	108	(135)
Pension contributions paid in excess of current year service cost	(990)	(1,065)
Share of operating profit of joint venture	(279)	(373)
(Increase) / decrease in stocks	(2,578)	70
Decrease / (Increase) in debtors	1,755	(646)
Increase in creditors	957	2,663
	<hr/>	<hr/>
	14,682	16,485
	<hr/>	<hr/>

22 Reconciliation of net cash flow to movement in net debt

	2014	2013
	£'000	£'000
(Decrease) / increase in cash in the period	(440)	3,180
Cashflow from debt and lease financing	(7,243)	700
Loans and finance leases acquired with subsidiary	(472)	-
	<hr/>	<hr/>
Change in net debt in the period	(8,155)	3,880
Net debt at 31 March 2013	(51,010)	(54,890)
	<hr/>	<hr/>
Net debt at 29 March 2014	(59,165)	(51,010)
	<hr/>	<hr/>

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS (*continued*)

FOR THE YEAR ENDED 29 MARCH 2014

23 Analysis of changes in net debt

	At 31 March 2013 £'000	Cash Flows £'000	Acquisition (excl cash) £'000	Other Changes £'000	At 29 March 2014 £'000
Net Cash					
Cash at bank & in hand	9,158	(2,146)	-	-	7,012
Bank overdraft	(1,706)	1,706	-	-	-
	7,452	(440)	-	-	7,012
Debt					
Preference shares	(12)	-	-	-	(12)
Bank loans due within one year	(3,700)	3,715	(337)	(3,424)	(3,746)
Bank loans due after one year	(54,750)	(11,000)	-	3,424	(62,326)
Finance leases due within one year	-	42	(135)	30	(63)
Finance leases due after one year	-	-	-	(30)	(30)
	(58,462)	(7,243)	(472)	-	(66,177)
Total	(51,010)	(7,683)	(472)	-	(59,165)

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS (*continued*)

FOR THE YEAR ENDED 29 MARCH 2014

24 Purchase of subsidiary undertakings

	2014 £'000
<i>Net assets acquired:</i>	
Tangible fixed assets	2,953
Stocks	135
Prepayments and accrued income	1,812
Cash at bank and in hand	103
Bank loans	(337)
Trade creditors	(1,240)
Corporation tax	27
Other taxes and social security	(148)
Accruals	(356)
Finance leases	(135)
Deferred taxation	(199)
	<hr/>
	2,615
Goodwill	399
	<hr/>
	3,014
	<hr/>
Satisfied by: Cash over 2 years	3,014
	<hr/>

25 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 13.8% 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.

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 £390,678 (2013: £418,257).

In 2014/15, the company expects to contribute £1,892,000, excluding reimbursement of administration and professional costs, assuming £702,000 actual member contributions into the scheme.

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 29 MARCH 2014

25 Pensions *(continued)*

Balance sheet liability

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

	2014 %	2013 %
Expected return on scheme assets	5.30	6.00
Rate of increase in salaries	3.30	3.20
Rate of increase in deferred pensions	2.60	2.50
Rate of increase in pensions in payment	3.30	3.20
Discount rate	4.30	4.20
Inflation assumption	3.30	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:

	2014 £'000	2013 £'000
Secured pension assets	3,015	3,316
Equities	-	23,304
Bonds	-	20,275
Hedge funds	5,751	6,517
Liability driven investments	17,501	-
Diversified growth fund	11,705	-
Diversified credit	17,569	-
Credit	5,920	-
OEICS – convertible bonds	-	5,996
Cash	3,671	306
Other	<u>119</u>	<u>119</u>
Total fair value of assets	65,251	59,833
Present value of scheme liabilities	<u>(74,533)</u>	<u>(73,367)</u>
Deficit in the scheme	(9,282)	(13,534)
Related deferred tax asset	<u>-</u>	<u>3,113</u>
Net pension liability	<u>(9,282)</u>	<u>(10,421)</u>

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 29 MARCH 2014

25 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:

	2014 £'000	2013 £'000
Deferred tax asset balance brought forward	3,113	2,238
Movement to the P&L account on annual charge	(318)	(292)
Movement to the STRGL on actuarial gain/(loss)	(939)	1,167
Movement to the STRGL on creation of Central Asset Reserve (see below)	(1,856)	-
Deferred tax asset balance carried forward	-	3,113
	2014 £'000	2013 £'000
Changes in the fair value of scheme assets are as follows:		
Opening fair value of scheme assets	59,833	54,279
Expected return on assets	3,637	3,325
Gain on asset return	580	2,147
Employer contributions (gross)	2,939	2,620
Death in service insurance premiums paid	(107)	(119)
Expenses paid by scheme	(538)	(167)
Employee contributions	289	292
Change in annuitant value due to scheme experience	(433)	(166)
Transfer values paid into the scheme	-	28
Benefits paid	(949)	(2,406)
Closing fair value of scheme assets	65,251	59,833
	2014 £'000	2013 £'000
Changes in the present value of scheme liabilities are as follows:		
Opening present value of scheme liabilities	(73,367)	(63,606)
Current accrual cost	(1,593)	(1,561)
Interest cost	(3,120)	(3,195)
Experience gain on liabilities	1,298	1,032
Gain / (loss) on changes in assumptions	867	(8,581)
Change in annuitant value due to scheme experience	433	166
Transfer values paid into the scheme	-	(28)
Benefits paid	949	2,406
Closing present value of scheme liabilities	(74,533)	(73,367)

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 29 MARCH 2014

25 Pensions *(continued)*

	2014 £'000	2013 £'000
Changes in the scheme deficit are as follows:		
Opening deficit in the scheme	(13,534)	(9,327)
Current service cost	(1,411)	(1,388)
Expected return on assets	3,637	3,325
Interest cost	(3,120)	(3,195)
Actuarial gain / (loss)	2,745	(5,402)
Employer contributions (gross)	2,939	2,620
Expenses paid by scheme	<u>(538)</u>	<u>(167)</u>
Closing deficit in the scheme	(9,282)	(13,534)

	2014 £'000	2014 £'000	2013 £'000	2013 £'000
Analysis of the charge recognised in the Profit & Loss account under FRS17:				
Current service cost		(1,411)		(1,388)
Expenses paid by scheme		<u>(538)</u>		<u>(167)</u>
		(1,949)		(1,555)

Interest on pension scheme liabilities	(3,120)	(3,195)
Expected return on pension scheme assets	<u>3,637</u>	<u>3,325</u>

Net finance credit	<u>517</u>	<u>130</u>
	(1,432)	(1,425)

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

Gain on asset return	580	2,147
Experience gain on liabilities	1,298	1,032
Gain / (loss) on changes in assumptions	<u>867</u>	<u>(8,581)</u>
	2,745	(5,402)

Analysis of acceleration of deferred tax credit arising from creation of Central Asset Reserve movement to STRGL

Release of deferred taxation provision	3,993	-
Release of deferred tax asset on pension liability	<u>(1,856)</u>	<u>-</u>
	2,137	-

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 29 MARCH 2014

25 Pensions *(continued)*

Historical amounts for current and previous four periods:

	2014 £'000	2013 £'000	2012 £'000	2011 £'000	2010 £'000
Fair value of scheme assets	65,251	59,833	54,279	51,489	46,144
Present value of scheme Liabilities	(74,533)	(73,367)	(63,606)	(54,322)	(52,141)
Deficit	(9,282)	(13,534)	(9,327)	(2,833)	(5,997)
Experience gain/(loss) on scheme liabilities	1,298	1,032	(2,504)	(413)	(535)

Asset backed funding arrangement

During June 2013 the company established the E H Booth Scottish Limited Partnership ('the Partnership') and through the Partnership has entered into a long term pension funding arrangement with the Pension Scheme.

Under this arrangement certain property assets were transferred into the Partnership and are being leased back to E H Booth & Co Limited under a 25 year operating lease arrangement, generating an income stream of £1.1m per annum for the Pension Scheme, increasing annually in line with inflation.

This arrangement fully removed, at the time, the requirement for any future deficit reduction contributions, which have effectively been replaced by the agreed income stream payments.

The Partnership is controlled by E H Booth & Co Limited and its results are consolidated by the group. The value of the properties transferred into the Partnership remains included on the group's balance sheet with the group retaining full operational control over these properties.

At the end of the term of the relevant lease, or earlier if the Scheme becomes fully funded to the extent that the members' benefits can be secured with an insurance company, the company has the option to repurchase the properties in the Partnership for an agreed fixed price.

The directors consider the investment held by the Scheme in the Partnership, a consolidated entity, does not represent a plan asset for the purpose of the both the group and company's accounts. Accordingly, the pension deficit position presented above in these accounts does not reflect the £18.8m investment in the Partnership held by the Scheme.

E H BOOTH & CO LIMITED

NOTES TO THE ACCOUNTS *(continued)*

FOR THE YEAR ENDED 29 MARCH 2014

25 Pensions *(continued)*

The distribution of Partnership profits to the Scheme is reflected as pension contributions in these accounts on a cash basis.

Defined Contribution Scheme

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

Total contributions paid in the year were £975,904 (2013: £333,612).

26 Operating lease commitments

At 29 March 2014 minimum annual commitments under non-cancellable operating leases as follows:

Group

	2014 £'000	2014 £'000	2013 £'000	2013 £'000
	Land and buildings	Other items	Land and buildings	Other items
Commitments expiring within one year	-	-	-	-
Commitments expiring within 2-5 years	-	-	-	-
Commitments expiring after more than 5 years	2,677	-	2,538	-
	<u>2,677</u>	<u>-</u>	<u>2,538</u>	<u>-</u>

Company

	2014 £'000	2014 £'000	2013 £'000	2013 £'000
	Land and buildings	Other items	Land and buildings	Other items
Commitments expiring within one year	-	-	-	-
Commitments expiring within 2-5 years	-	-	-	-
Commitments expiring after more than 5 years	3,983	-	2,538	-
	<u>3,983</u>	<u>-</u>	<u>2,538</u>	<u>-</u>