Company Registration No. 00049933 (England and Wales)

E H Booth & Co Limited

Directors' Report and Accounts

For The Year Ended
28 March 2015

Moore&Smalley
Trusted Thinking

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 HSBC 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 16 September 2015 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 28 March 2015.

3 To confirm the payment of the interim dividend paid on 28 March 2015.

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 31 July 2015.

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.

REVIEW AND DEVELOPMENT OF THE BUSINESS

We have experienced a modest reduction in sales due to a number of factors not least the significant degree of deflation on input prices and continued downward pressure on retail prices as our competitors re-calibrate their businesses and fight for market share. Over the period under review, our sales decline was in line with the market. Despite signs of a recovering UK economy, business growth in our sector remains difficult to achieve for all with the exception of the discounters.

The Booths customer card has been a great success with a further 100,000 cardholders recruited and usage peaking at 60% of sales. This has enabled us to retain customer spend with the potential for increased engagement in the future. A significant benefit has been the development of "Dear Booths" an initiative through which we receive regular feedback on our service from some 2,000 customers each week.

We now operate an "agile" range review programme and have achieved spectacular results, increasing sales in the majority of product areas. Our response to the market is now much improved and we have launched over 1,500 new lines of which 350 are under the Booths label.

Booths Fair Milk was introduced in May (2014) with a guaranteed price differential being paid to four nominated farms in each of the counties where we trade. We have also designed our own scheme for the purchase of Herdwick Lamb with enhanced benefits to both Booths and farmers. All our Bacon is now Yorkshire bred with imported products from Denmark now discontinued. At the recently acquired Riversway facilities, we have started to pack all of our Citrus ranges and experienced a significant increase in sales.

The Christmas trading period is very important to Booths and 2014 saw a push to secure an increase in "Click & Collect" orders (+22%). We also launched a nationwide delivery service which was enthusiastically received. The extra volume of business put a strain on our central operations resulting in a number of failed orders which had an adverse effect on availability and sales at stores. However, the Booths "Christmas Book" listing 585 lines was again well received and our new range of party food sold particularly well. A considerable amount of work has now ensued to guarantee integrity in the supply chain over the Christmas period in 2015 and we will be working hard to secure new business and reassure customers that experienced disappointment last December.

Operations at the recently acquired Riversway facility have now been integrated with our existing central operations and we have also had to bear a full year of attributable costs associated with this acquisition. However, we have embedded new quality control protocols in order to guarantee the supply of top class produce to stores and refrigeration has been installed in the dispatch area enabling the migration of layout stock from the Bluebell Way warehouse. As well as optimising the use of space, benefits have been derived through improved transport scheduling.

We commenced a replacement programme for our transport fleet with multi-temperature capability allowing flexible delivery patterns. A great deal of effort has been expended to promote safe working throughout our central distribution operations with an impressive record to date.

There has been a continued investment in Learning & Development. The support of our colleagues to clearly understand new operating methods is key to our future success and with four stores being opened after the year-end; the Human Resources Department has played a pivotal role in supporting the Retail Team.

We opened a new store at Barrowford in December with a new management structure that was a pilot for the changes which have now been introduced to all our existing stores. This approach is intended to enable clearer lines of communication so that colleagues are able to provide good service when and where it is required.

The IT Team has been busy supporting the Supply Control Teams with the integration of RELEX, a cloud based stock forecasting tool that has helped to increase availability at stores and reduce shrinkage. 95% of the stock at stores is managed by this system.

REVIEW AND DEVELOPMENT OF THE BUSINESS (continued)

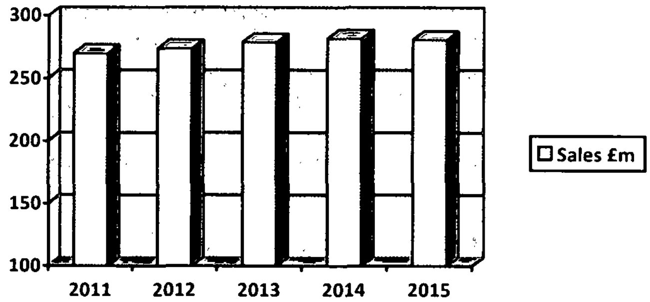
Our checkout hardware has been upgraded and store colleagues now enjoy "live inventory" access to real-time information with hand held terminals. The Distribution Centre at Riversway is now fully integrated into our supply chain with a single approach to the movement of goods and communications.

In January the Board resolved to appoint Chris Dee as the Chief Executive with an initial remit to establish clear and distinct lines of accountability in the Operating Board. Simon Booth stood down from the Operating Board at the year-end with Graham Booth due to stand down at the end of September 2015. Mr Simon and Mr Graham remain fully committed to supporting the Chairman and Chief Executive in ensuring the company values are upheld in every area of the business.

KEY FINANCIAL INDICATORS

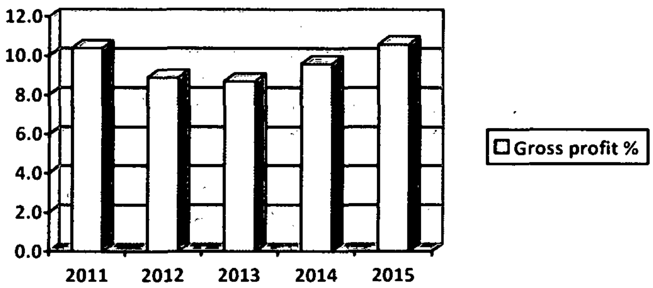
Sales

Sales were down 0.5% having been held back by a deflationary and highly competitive retail environment. The new store which opened in Barrowford in December and the Booths card continue to be popular with our customers and has helped limit the reduction in sales.



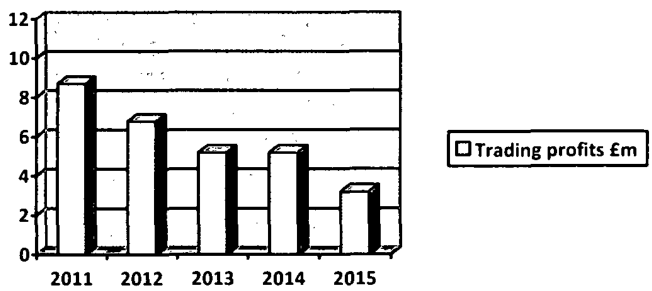
Gross margin

The inclusion of a full years benefit from the acquisition of Sharrocks Fresh Produce Ltd is the primary reason for the improvement in Gross Profit of 1%, however stock losses and in particular wastage have also reduced significantly which counter the inevitable increase in the cost of operating the very popular Booths Card.



Trading profits

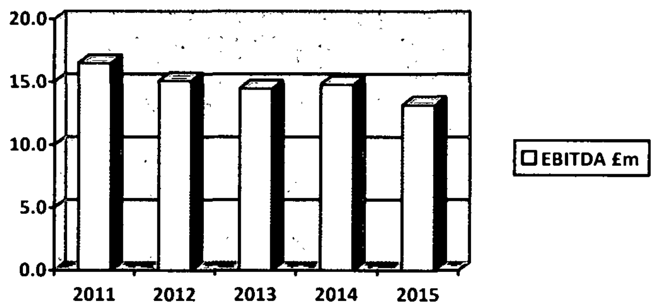
The down turn in sales and the tough retail environment are the main reasons for the £2m reduction in trading profits. There has been a strong focus on store operations generating considerable wage cost savings but in order to support these efficiencies we have invested in our IT systems together with HR and training support. The integration and benefits resulting from the Sharrocks Fresh Produce Ltd acquisition with our existing Manufacturing and Logistic business has been slow to materialise, but is showing signs of improving and importantly, allow for the future growth of the business.



KEY FINANCIAL INDICATORS (continued)

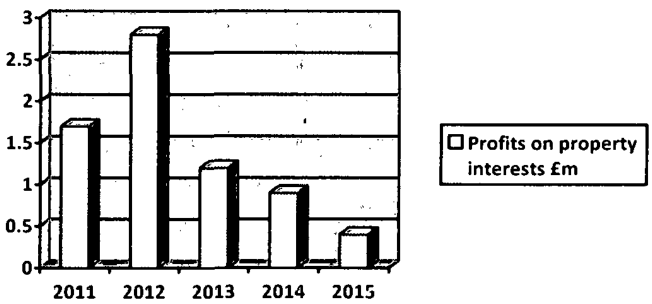
EBITDA

Earnings before Interest, Tax, Depreciation and Amortisation (excluding profits on property interests) at £13.2m are 10.8% down on last year. The reduction in trading profits is the reason for the fall in EBITDA.



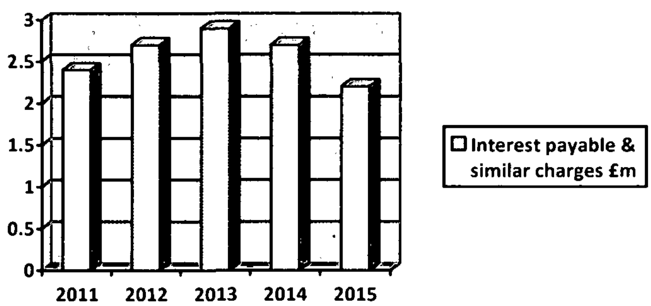
Profits on property interests

Profits from property interests were down by £0.5m. Rental income on properties remained similar to last year however the loss on sale of a property adjacent to the Kendal store and a reduction in the income on the joint venture development with Maple Grove as the project nears completion, were the main reasons for the fall.



Bank interest payable

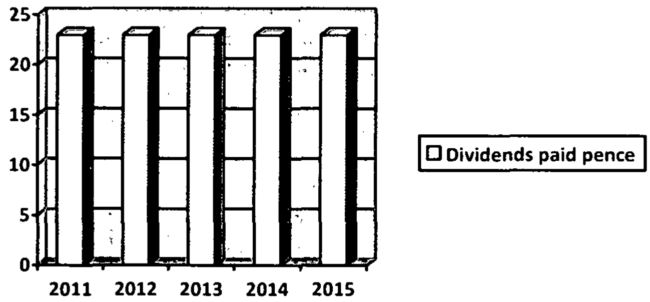
Interest and related charges fell by £0.5m to £2.2m in contrast to net debt which grew from £59m to £69m as we increased our capital expenditure. An interest rate hedge matured during the year which reduced the average borrowing rate and the increase in net debt occurred during the second half of the financial year.



KEY FINANCIAL INDICATORS (continued)

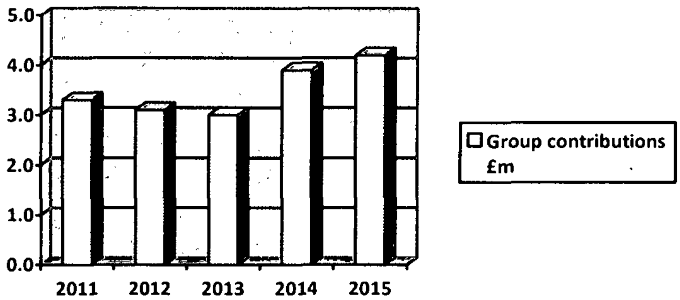
Dividends paid

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.



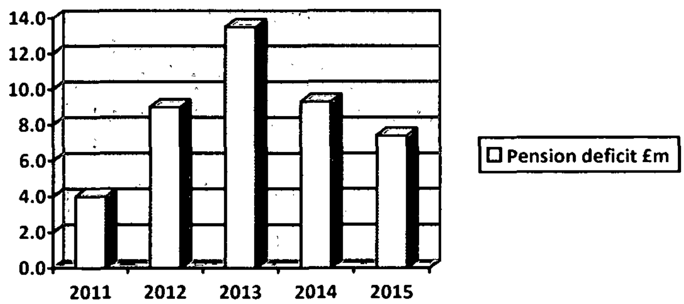
Group pension contributions

Cash contributions to the group pension schemes have risen by £0.3m to £4.2m. Further take up on the Group personal pension scheme and the auto enrolment scheme have increased costs together with a slight increase in the final salary pension contributions.



Pension deficit

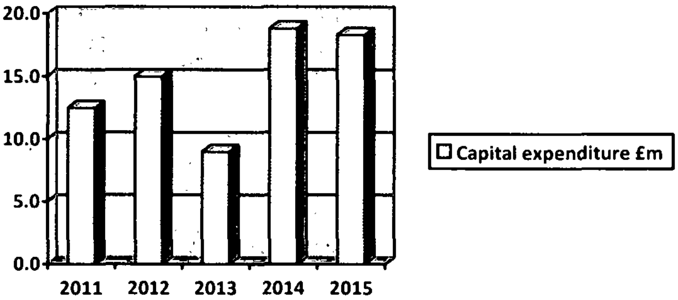
The defined benefit pension scheme deficit has reduced from £9.3m to £7.4m. Liabilities are up significantly during the year as Gilts yields continued to fall however we have introduced a Liability Driven Investment approach to the scheme which hedged increases in liabilities. This, coupled with the strong performance of our investments resulted in a reduction in the deficit.



KEY FINANCIAL INDICATORS (continued)

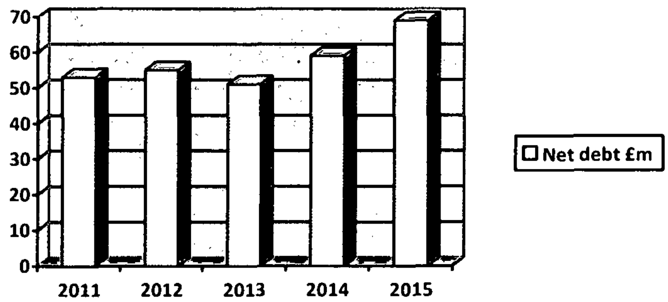
Capital expenditure

Spending on capital items during the year totalled £18.3m, most of which was on new stores at Barrowford (opened Dec 2014), Hale Barns (opening Apr 2015) Burscough (opening Jul 2015) and St Annes (opening Sept 2015). Investment was also made in infrastructure at the Booths Riversway cold store and IT developments.



Net debt

Net Debt increased from £59m to £69m. £3.7m of the term loan was repaid during the year and facilities of £17m were drawn down during the year. Since the year end the Company has completed a refinancing exercise and details are explained on page 34.



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 34.

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.

FINANCIAL YEAR 2015/16

As I look to the next financial year, it is impossible to see many opportunities for growth outwith the potential for increased sales generated by the four stores that will have been opened between April and November. We continue to play our part in the changing dynamics in our industry and the way in which consumers are choosing to shop. These changes are unprecedented but we have been swift to address challenges as they arrive and design new ways to attract business and customer engagement.

We are continuing to tune Booths for a profitable future and one within which customers will say that Booths is still special and part of their lives. Thank you to everyone throughout our enterprise and the efforts that have been made to plan for future success.

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

31 July 2015

REPORT OF THE DIRECTORS

The directors have pleasure in submitting their one hundred and eighteenth annual report, together with the audited accounts for the group for the year ended 28 March 2015.

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 £1.3m (2014: £3.0m).

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 £56,910 (2014: £109,235).

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

There are plans to open 4 new stores in the coming financial year with 2 of the new stores replacing 4 smaller older stores. It has been announced that 2 further convenience stores will close leaving the remaining retail estate with two store formats, a large and a neighbourhood format. Within the stores a restructure of our middle management will take place streamlining the reporting lines and improving the service provided to our customers. In order to reduce borrowings, non core properties will be sold with the proceeds allocated to paying down debt but we will still continue to focus on providing an excellent service and in store experience to our customers. In July 2015 the Company concluded a refinancing exercise which is explained in more detail on page 34.

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

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.

REPORT OF THE DIRECTORS

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 2015 and signed on its behalf.

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

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF E H BOOTH & CO LIMITED

We have audited the accounts of E H Booth & Co Limited for the year ended 28 March 2015 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 12, 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 28 March 2015, 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.

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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF E H BOOTH & CO LIMITED

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

3 August 2015

E H BOOTH & CO LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 28 MARCH 2015

	Note	2015 £'000	2014 £'000
Turnover	1	280,759	282,204
Cost of sales		(251,030)	(255,077)
Gross profit		29,729	27,127
Administrative expenses		(26,571)	(21,964)
		3,158	5,163
Profit on property interests	2	423	919
Operating profit	3	3,581	6,082
Net finance credit on pension scheme assets and liabilities		239	517
Interest payable	4	(2,187)	(2,652)
Profit on ordinary activities before taxation		1,633	3,947
Tax on profit on ordinary activities	7	(296)	(948)
Profit on ordinary activities after taxation	20	1,337	2,999

Continuing operations

All of the activities of the Group are classed as continuing

GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 28 MARCH 2015

	Note	2015 £'000	2014 £'000
Profit for the financial year		1,337	2,999
Unrealised deficit on revaluation of investment properties	11	-	(820)
Actuarial gain on pension scheme	25	88	2,745
Deferred tax charge on actuarial gain	25	-	(939)
Acceleration of deferred tax credit arising from creation of Central Asset Reserve	25	-	2,137
Total recognised gains and losses for the year		1,425	6,122

E H BOOTH & CO LIMITED

GROUP BALANCE SHEET

AS AT 28 MARCH 2015

	Note	2015 £'000	2015 £'000	2014 £'000	2014 £'000
Fixed assets					
Intangible assets	10		2,347		2,745
Tangible assets	11		150,162		142,843
Investment in joint venture	12		238		234
			152,747		145,822
Current assets					
Stocks	14	18,349		17,033	
Debtors	15	4,443		4,226	
Investments	12	600		-	
Cash at bank & in hand		10,612		7,012	
		34,004		28,271	
Creditors – amounts falling due within one year	16	(36,907)		(37,378)	
Net current liabilities			(2,903)		(9,107)
Total assets less current liabilities			149,844		136,715
Creditors – amounts falling due after more than one year	17		(75,578)		(62,356)
			74,266		74,359
Provision for liabilities and charges	18		(724)		(104)
Net assets excluding pension liability			73,542		74,255
Pension liability	25		(7,433)		(9,282)
Net assets including pension liability			66,109		64,973
Capital and reserves					
Called up share capital	19		1,256		1,256
Revaluation reserve	20		1,703		1,703
Profit and loss account	20		63,150		62,014
Shareholders' funds	20		66,109		64,973

These accounts were approved and authorised for issue by the board on 31 July 2015.

E J Booth – Director **S K Booth – Director**

Company Number: 00049933

E H BOOTH & CO LIMITED

GROUP CASHFLOW STATEMENT

FOR THE YEAR ENDED 28 MARCH 2015

	Note	2015 £'000	2015 £'000	2014 £'000	2014 £'000
Net cash inflow from operating activities	21		10,820		14,682
Returns on investments and servicing of finance					
Interest paid		(2,162)		(2,494)	
Net cash outflow from returns on investments and servicing of finance			(2,162)		(2,494)
Taxation					
Corporation tax paid			(7)		(956)
Capital expenditure and financial investment					
Payments made to acquire tangible fixed assets		(18,303)		(15,840)	
Receipts from sale of property interests and tangible fixed assets		373		125	
Net cash outflow from capital expenditure and financial investment			(17,930)		(15,715)
			(9,279)		(4,483)
Acquisitions and disposals					
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 before financing			(9,568)		(7,683)
Financing					
Loan advances	23	17,000		11,000	
Loan repayments	23	(3,747)		(3,715)	
Capital element of finance leases	23	(85)		(42)	
Net cash inflow from financing			13,168		7,243
Increase / (decrease) in cash	23		3,600		(440)

E H BOOTH & CO LIMITED

COMPANY BALANCE SHEET

AS AT 28 MARCH 2015

	Note	2015 £'000	2015 £'000	2014 £'000	2014 £'000
Fixed assets					
Intangible assets	10		2,347		2,745
Tangible assets	11		137,054		128,944
Investments	12		5,083		7,202
			144,484		138,891
Current assets					
Stocks	14	18,349		17,033	
Debtors – amounts falling due within one year	15	5,362		5,130	
Debtors – amounts falling due after more than one year	15	19,936		19,989	
Cash at bank & in hand		10,335		6,858	
		53,982		49,010	
Creditors – amounts falling due within one year	16	(36,838)		(39,495)	
Net current assets			17,144		9,515
Total assets less current liabilities			161,628		148,406
Creditors – amounts falling due after more than one year	17		(75,578)		(62,356)
			86,050		86,050
Provision for liabilities and charges	18		(724)		(104)
Net assets excluding pension liability			85,326		85,946
Pension liability	25		(7,433)		(9,282)
Net assets including pension liability			77,893		76,664
Capital and reserves					
Called up share capital	19		1,256		1,256
Revaluation reserve	20		1,132		1,132
Profit and loss account	20		75,505		74,276
Shareholders' funds	20		77,893		76,664

These accounts were approved and authorised for issue by the board on 31 July 2015.

E J Booth – Director **S K Booth – Director**

Company Number: 00049933

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.

Going concern

The group completed a full refinancing of its bank facilities in July 2015 with The Royal Bank of Scotland and HSBC Bank. The new facilities replace the bank loans and overdraft facility previously provided by The Royal Bank of Scotland Plc and Lloyds Banking Group. The new facilities expire after 3 years with a flexible payment profile and give the group sufficient headroom to fund its capital expenditure plans including new store openings within that period.

The directors have prepared trading and cash flow forecasts for the next 3 years under different trading scenarios. The forecasts make assumptions in respect of future trading conditions, in particular the directors' estimates of sales in new or recently opened stores and also take into account the cost restructuring programme that is currently being implemented by the board.

Taking into account the inherent sensitivities in the estimates as regards income and costs, the forecasts prepared suggest that the group will retain sufficient headroom within the new facility agreements that are available to it for a period in excess of one year from the date of approval of these financial statements.

After making enquiries, and considering the uncertainties described above, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future and continue 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.

Supplier income

As is the industry norm, the group receives income from suppliers in the form of incentives, discounts and promotional support, collectively known as 'Supplier income'. Such income is recognised within cost of sales on an accruals basis over the period in which such income is earned.

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:

Goodwill	5% – 20% on cost
Investment properties	on an open market value basis.
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 lease period or, if shorter, over useful economic life.

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.

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.

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 (2014: 52 weeks).

2 Profit on property interests

	2015 £'000	2014 £'000
Share of operating profit of joint venture (Note 12)	35	279
Other losses on disposal of property interests	(349)	(108)
Net rental income	737	748
	423	919

3 Operating profit

	2015 £'000	2014 £'000
Operating profit is stated after charging/(crediting):		
Depreciation on owned tangible fixed assets	9,813	9,282
Amortisation of goodwill	398	345
Profit on disposal of tangible fixed assets	(151)	-
Auditor's remuneration:		
• Fees payable to the auditor for the audit of the accounts	42	40
• Fees payable to the auditor for other services:		
- Taxation	46	26
- Other	7	1
Operating lease rentals of:		
• Land and buildings	3,188	2,538

4 Interest payable

	2015 £'000	2014 £'000
On bank loans and overdrafts	2,187	2,652

5 Directors' remuneration

	2015 £'000	2014 £'000
Total directors' emoluments (including benefits in kind)	1,335	1,483
Highest Paid Director – emoluments	355	396

As at 28 March 2015 the Highest Paid Director had accrued pension rights of £202,026 (2014: £199,433). The number of directors for whom retirement benefits are accruing under defined benefit schemes amounted to 4 (2014: 5).

6 Employees

	2015 £'000	2014 £'000
Staff costs during the year amounted to:		
Wages and salaries	37,970	38,141
Social security costs	2,456	2,505
Other pension costs	2,715	2,924
	43,141	43,570

	No.	No.
Breakdown of the average number of employees:		
Central office administration	132	117
Selling and distribution	2,738	2,874
	2,870	2,991

7 Tax on profits on ordinary activities

(a) Analysis of tax charge in year

	2015 £'000	2014 £'000
Current year		
UK corporation tax at 21% (2014: 23%)	(165)	474
Deferred tax charge	620	715
Deferred tax charge in respect of pension scheme	-	301
	455	1,490
Prior periods		
UK corporation tax	(159)	(33)
Deferred tax adjustment arising out of the reduction in the future corporation tax rate from 23% to 20%	-	(485)
Deferred tax credit	-	(41)
Deferred tax charge in respect of pension scheme	-	17
	296	948

(b) Factors affecting tax charge for the year

	2015 £'000	2014 £'000
The tax payable for the year differs from the standard rate of corporation tax. The differences are explained below:		
Profit on ordinary activities before taxation	1,633	3,947
UK corporation tax at the standard rate 21% (2014: 23%)	343	908
Depreciation for the year in excess of capital allowances	12	485
Disallowed depreciation on non-qualifying assets	742	455
(Income) / expenses (non-taxable) / not deductible for tax purposes	(141)	49
Losses relief	(42)	41
Timing differences on pension liability movements	(1,132)	(1,444)
Other timing differences	53	(20)
	(165)	474

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 £1,430k (2014: £14,850k). The profit after tax in the parent company for the prior 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

	2015 £'000	2014 £'000
Year ended 29 March 2014		
Final paid at 19p per share (2014: 19p per share)	239	239
Year ended 28 March 2015		
Interim paid at 4p per share (2014: 4p per share)	50	50
	289	289

10 Intangible fixed assets

	Goodwill £'000
Group and Company	
Cost	
At 29 March 2014	5,850
Additions	-
At 28 March 2015	5,850
Amortisation	
At 29 March 2014	3,105
Charge for the year	398
At 28 March 2015	3,503
Net book value	
At 28 March 2015	2,347
At 29 March 2014	2,745

11 Tangible fixed assets

Group	Land and Buildings £'000	Investment Properties £'000	Fixtures, Plant and Vehicles £'000	Total £'000
Cost or valuation				
At 29 March 2014	112,899	1,825	106,837	221,561
Additions	3,490	-	14,813	18,303
Disposals	(544)	-	(1,099)	(1,643)
Transfer to current assets (note 12)	-	(600)	-	(600)
At 28 March 2015	115,845	1,225	120,551	237,621
Depreciation				
At 29 March 2014	17,886	-	60,832	78,718
Charge for the year	1,356	-	8,457	9,813
On disposals	(59)	-	(1,013)	(1,072)
At 28 March 2015	19,183	-	68,276	87,459
Net book value				
At 28 March 2015	96,662	1,225	52,275	150,162
At 29 March 2014	95,013	1,825	46,005	142,843

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

	2015 £'000	2014 £'000
Freehold	84,498	83,235
Long leasehold (more than 50 years unexpired)	13,389	13,603
	97,887	96,838

Non-depreciating assets included in land and buildings:

	2015 £'000	2014 £'000
Freehold	38,608	38,454
Long leasehold (more than 50 years unexpired)	6,651	6,651
	45,259	45,105

11 Tangible fixed assets (continued)

Company	Land and Buildings £'000	Investment Properties £'000	Fixtures, Plant and Vehicles £'000	Total £'000
Cost or valuation				
At 29 March 2014	97,887	1,225	106,728	205,840
Additions	3,490	-	14,813	18,303
Disposals	(544)	-	(1,099)	(1,643)
At 28 March 2015	100,833	1,225	120,442	222,500
Depreciation				
At 29 March 2014	16,173	-	60,723	76,896
Charge for the year	1,165	-	8,457	9,622
On disposals	(59)	-	(1,013)	(1,072)
At 28 March 2015	17,279	-	68,167	85,446
Net book value				
At 28 March 2015	83,554	1,225	52,275	137,054
At 29 March 2014	81,714	1,225	46,005	128,944

11 Tangible fixed assets (continued)

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

	2015 £'000	2014 £'000
Freehold	77,071	75,107
Long leasehold (more than 50 years unexpired)	7,708	7,832
	84,779	82,939

Non-depreciating assets included in land and buildings:

Freehold	35,229	35,075
Long leasehold (more than 50 years unexpired)	4,551	4,551
	39,780	39,626

Investment properties held at 28 March 2015 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 properties previously revalued up to the balance sheet date. On the historical cost basis the net book value of investment properties held by the company is £93,108 (2014: £93,108).

In addition a further property was held within the group, and was revalued at 30 March 2013 by Robert Pinkus & Co, Chartered Surveyors at £600,000. During the year this property has been transferred from tangible fixed assets to current asset investments following the completion of its disposal post year end (see note 12). On the historical cost basis the net book value of investment properties held by the group is £123,139 (2014: £123,139).

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:

	2015 £'000	2014 £'000
Share of gross assets	1,171	5,085
Share of gross liabilities	(933)	(4,851)
Share of net worth	238	234
Share of turnover	5,280	-
Share of operating profit	35	279
Share of interest payable	(25)	(158)
Share of profit after taxation and dividends	4	91

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 28 March 2015 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'.

Current asset investments

	2015 £'000	2014 £'000
Investment property (transfer from fixed assets - note 11)	600	-

12 Investments (continued)

Company

	Shares in group undertaking £'000	Shares in joint venture £'000	Total £'000
Cost			
At 29 March 2014	7,202	-	7,202
Additions	-	-	-
Impairment	(2,119)	-	(2,119)
At 28 March 2015	5,083	-	5,083
Net book value			
At 28 March 2015	5,083	-	5,083
At 29 March 2014	7,202	-	7,202

The impairment was subsequent to a £2.1m dividend paid by the dormant subsidiary, Booths Riversway Limited.

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	Dormant	100
Booths (Lytham) Limited	England & Wales	Property investment	100
E.H. Booth (SLP) General Partner Ltd	Scotland	Investment holding undertaking	100
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.

12 Investments (continued)

The investment made by the company includes 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 £19.1m (2014: £5.7m).

14 Stocks

	Group and Company	
	2015	2014
	£'000	£'000
Goods for resale	18,349	17,033

15 Debtors

	Group		Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Prepayments and accrued income – amounts falling due within one year	2,183	3,149	2,563	3,319
Prepayments and accrued income – amounts falling due after more than one year	-	-	19,936	19,989
VAT recoverable	981	-	981	-
Corporation tax repayable	359	22	365	187
Amounts owed by joint venture	920	1,055	920	1,055
Amounts owed by group undertaking	-	-	533	569
	4,443	4,226	25,298	25,119

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.

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.

15 Debtors (continued)

As part of the funding arrangement, during the year ended 29 March 2014, 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 £53k (2014: £17k), the remaining balance of £19.936m (2014: £19.989m) is due after more than one year.

16 Creditors – amounts falling due within one year

	Group		Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Bank loans	3,747	3,746	3,747	3,746
Trade creditors	24,598	25,128	24,598	25,128
Other taxes and social security costs	729	1,149	662	1,149
Accruals	7,813	7,280	7,811	7,278
Amounts owed to group undertaking	-	-	-	2,119
Finance leases	8	63	8	63
Preference shares	12	12	12	12
	36,907	37,378	36,838	39,495

17 Creditors – amounts falling due after more than one year

	Group and Company	
	2015	2014
	£'000	£'000
Bank loans repayable by instalments:		
Repayable within two years	75,398	3,747
Repayable between two and five years	147	58,495
Repayable after five years	33	84
	75,578	62,326
Finance leases repayable by instalments:		
Repayable within two years	-	30
	75,578	62,356

17 Creditors - amounts falling due after more than one year (continued)

At year end the company had 18 months remaining on its existing facilities together with a short term bridging loan. On 2 July 2015 the company completed a refinancing exercise and the following 3 year facilities were agreed with the Royal Bank of Scotland Group and HSBC:

- A £60m term loan with quarterly instalments of £750k with the first instalment due in September 2015;
- A Revolving Credit Facility of £25m; and
- A bridging loan of £15m which is repayable over the next 18 months with the level of repayment dependent on progress with the disposal of non core properties.

Bank borrowings are secured against specific properties and other assets and bear interest at between 1.75% and 2.5% over Libor. Finance lease obligations are secured on the assets to which they relate.

18 Provision for liabilities and charges

	Group		Company	
	2015	2014	2015	2014
Deferred taxation	£'000	£'000	£'000	£'000
Balance brought forward	104	3,709	104	3,709
Acquired on acquisition / hive-up	-	199	-	182
Movement to the profit and loss account	620	189	620	206
Movement to the STRGL on creation of the Central Asset Reserve (note 25)	-	(3,993)	-	(3,993)
Balance carried forward	724	104	724	104

The deferred taxation provision represents:

Accelerated capital allowances	2,282	2,630	2,282	2,630
Other timing differences	(1,558)	(2,526)	(1,558)	(2,526)
	724	104	724	104

19 Share capital

	Group		Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Equity:				
Ordinary shares of £1 each	1,256	1,256	1,256	1,256
Non-equity:				
3½% Net cumulative preference shares of £1 each	12	12	12	12

19 Share capital (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.

20 Reconciliation of shareholders' funds and movement in reserves

Group	Share capital £'000	Revaluation reserve £'000	Profit & loss account £'000	Total £'000
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
Profit for the year	-	-	1,337	1,337
Dividends	-	-	(289)	(289)
Actuarial gain relating to pension scheme	-	-	88	88
At 28 March 2015	1,256	1,703	63,150	66,109

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

Company	Share capital	Revaluation reserve	Profit & loss account	Total
	£'000	£'000	£'000	£'000
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
Profit for the year	-	-	1,430	1,430
Dividends	-	-	(289)	(289)
Actuarial gain relating to pension scheme	-	-	88	88
At 28 March 2015	1,256	1,132	75,505	77,893

All shareholders funds are attributable to the equity shareholders.

	Group 2015	Group 2014	Company 2015	Company 2014
	£'000	£'000	£'000	£'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	70,583	71,296	82,938	83,558
Pension liability	(7,433)	(9,282)	(7,433)	(9,282)
Profit and loss account reserve including pension liability	63,150	62,014	75,505	74,276

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

	2015 £'000	2014 £'000
Operating profit	3,581	6,082
Amortisation	398	345
Depreciation	9,813	9,282
Profit on disposal of tangible fixed assets	(151)	-
Other losses on disposal of property interests	349	108
Pension contributions paid in excess of current year service cost	(1,522)	(990)
Share of operating profit of joint venture	(35)	(279)
Increase in stocks	(1,316)	(2,578)
Decrease in debtors	120	1,755
(Decrease) / increase in creditors	(417)	957
	10,820	14,682

22 Reconciliation of net cash flow to movement in net debt

	2015 £'000	2014 £'000
Increase / (decrease) in cash in the period	3,600	(440)
Cashflow from debt and lease financing	(13,168)	(7,243)
Loans and finance leases acquired with subsidiary (note 24)	-	(472)
Change in net debt in the period	(9,568)	(8,155)
Net debt at 29 March 2014	(59,165)	(51,010)
Net debt at 28 March 2015	(68,733)	(59,165)

23 Analysis of changes in net debt

	At 29 March 2014 £'000	Cash flows £'000	Other changes £'000	At 28 March 2015 £'000
Net Cash:				
Cash at bank & in hand	7,012	3,600	-	10,612
	7,012	3,600	-	10,612
Debt:				
Preference shares	(12)	-	-	(12)
Bank loans due within one year	(3,746)	3,747	(3,748)	(3,747)
Bank loans due after one year	(62,326)	(17,000)	3,748	(75,578)
Finance leases due within one year	(63)	85	(30)	(8)
Finance leases due after one year	(30)	-	30	-
	(66,177)	(13,168)	-	(79,345)
Total	(59,165)	(9,568)	-	(68,733)

24 Purchase of subsidiary undertakings

	2015 £'000	2014 £'000
Net assets acquired:		
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)
	-	2,615
Goodwill	-	399
	-	3,014
Satisfied by: Cash over 2 years	-	3,014

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 £432,265 (2014: £390,678).

In the next financial year, the company expects to pay £1,943k into the scheme, excluding reimbursement of administration and professional costs, which includes £767k of member contributions.

Amounts recognised in the balance sheet are as follows:

	2015 £'000	2014 £'000
Present value of funded obligations	(86,667)	(74,533)
Fair value of scheme assets	79,234	65,251
Net defined benefit asset/(liability) before deferred tax	(7,433)	(9,282)
Related deferred tax asset	-	-
Net pension liability	(7,433)	(9,282)

The pension scheme assets above include no assets from the company's own financial instruments, nor does it include any occupied by, or other assets used by, the company.

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:

	2015 £'000	2014 £'000
Deferred tax asset balance brought forward	-	3,113
Movement to the P&L account on annual charge	-	(318)
Movement to the STRGL on actuarial loss	-	(939)
Movement to the STRGL on creation of Central Asset Reserve (see below)	-	(1,856)
Deferred tax asset balance carried forward	-	-

Deferred tax asset previously recognised on FRS17 movements, crystallised in the prior year following the creation of Central Asset Reserve (see below).

Amounts recognised in Profit & Loss account are as follows:

	2015 £'000	2015 £'000	2014 £'000	2014 £'000
Current service cost		(1,367)		(1,411)
Interest on obligations	(3,125)		(3,120)	
Expected return on scheme assets	3,364		3,099	
Net finance credit/(charge)		239		(21)
		(1,128)		(1,432)

Analysis of amounts recognised in Statement of Total Recognised Gains and Losses (STRGL):

	2015 £'000	2014 £'000
Total actuarial gain	88	2,745

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

	2015 £'000	2014 £'000
Release of deferred taxation provision	-	3,993
Release of deferred tax asset on pension liability	-	(1,856)
	-	2,137

25 Pensions (continued)

	2015 £'000	2014 £'000
Actual return on scheme assets	16,318	3,246

Changes in the present value of the defined benefit obligation are as follows:

	2015 £'000	2014 £'000
Opening defined benefit obligation	(74,533)	(73,367)
Current service cost	(1,367)	(1,411)
Interest cost	(3,125)	(3,120)
Actuarial (loss) / gain	(12,866)	2,598
Contributions by scheme members	(277)	(289)
Benefits paid	5,501	1,056
Closing defined benefit obligation	(86,667)	(74,533)

Changes in the fair value of scheme assets are as follows:

	2015 £'000	2014 £'000
Opening fair value of scheme assets	65,251	59,833
Expected return	3,364	3,099
Actuarial gain	12,954	147
Contributions by employer	2,889	2,939
Contributions by scheme members	277	289
Benefits paid	(5,501)	(1,056)
Closing fair value of scheme assets	79,234	65,251

The major categories of scheme assets as a percentage of total assets are as follows:

	2015 %	2014 %
Secured pension assets (annuities)	4.1	4.6
Hedge funds	8.0	8.8
Liability driven investments	34.8	26.8
Diversified growth fund	21.4	17.9
Diversified credit	23.3	26.9
Credit	8.0	9.1
Cash	0.4	5.6
Other	-	0.3
	100	100

25 Pensions (continued)

The principal actuarial assumptions at the balance sheet date (expressed as weighted average):

	2015 %	2014 %
Discount rate	3.30	4.30
Price inflation - RPI	3.10	3.30
Price inflation - CPI	2.10	2.60
Future salary increases	3.10	3.30
Future pension increases – RPI max 5%	3.00	3.30
Future pension increases – RPI max 2.5%	2.05	2.10
Future pension increases – CPI max 2.5%	1.75	2.25
Cash commutation (maximum tax free cash available)	67.00	67.00

	2015 Yrs	2014 Yrs
Mortality – current pensioners	22.4	22.4
Mortality – future pensioners (retiring in 20 years)	23.8	23.8

Actuarial tables used: SINXA year of birth base table with a +2 year age rating allowing for future improvements using the CMI 2011 projection model with a long term trend rate of 1% (0.75%) for males (females). Male life expectancy at age 63.

Where investments are held in bonds and cash, the expected long term rate of return is taken to be the yields generally prevailing on such assets at the balance sheet date. A higher rate of return is expected on equity on other growth investments, which is based more on realistic future expectations than on the returns that have been available historically.

The overall expected long term rate of return on assets is then the average of these rates taking into account the underlying asset portfolio of the pension scheme. The expected rates of return for each class, gross of scheme expenses, were:

	2014 %
Secured pension assets (annuities)	4.30
Hedge funds	5.80
Liability driven investments	5.80
Diversified growth fund	2.80
Diversified credit	2.80
Credit	4.30
Cash	0.50
Overall	5.30

Note that an expected return on assets is not required for the 2015/16 year, being the first year in which reporting will be under FRS102.

25 Pensions (continued)

Amounts for the current and previous four periods are as follows:

	2015 £'000	2014 £'000	2013 £'000	2012 £'000	2011 £'000
Defined benefit obligation	(86,667)	(74,533)	(73,367)	(63,606)	(54,322)
Scheme assets	79,234	65,251	59,833	54,279	51,489
Deficit	(7,433)	(9,282)	(13,534)	(9,327)	(2,833)
Experience adjustment on scheme liabilities	-	1,298	1,032	(2,504)	(413)
Experience adjustment on scheme assets	12,954	147	1,981	-	-

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, which represents the valuation carried out on 29 March 2014.

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

25 Pensions (continued)

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 £1,046,719 (2014: £975,904).

26 Operating lease commitments

At 28 March 2015 minimum annual commitments under non-cancellable operating leases as follows:

Group	2015 £'000 Land and Buildings	2015 £'000 Other Items	2014 £'000 Land and Buildings	2014 £'000 Other Items
Commitments expiring within one year	-	-	-	-
Commitments expiring within 2-5 years	-	-	-	-
Commitments expiring after more than 5 years	3,987	-	2,677	-
	3,987	-	2,677	-

Company	2015 £'000 Land and Buildings	2015 £'000 Other Items	2014 £'000 Land and Buildings	2014 £'000 Other Items
Commitments expiring within one year	-	-	-	-
Commitments expiring within 2-5 years	-	-	-	-
Commitments expiring after more than 5 years	5,293	-	3,983	-
	5,293	-	3,983	-