



Annual Report  
for the year ended  
1 April 2023

E.H. Booth & Co Limited





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## Company Details

Directors	E.J Booth CBE DL (Executive Chairman) D G Booth N R Murray R A Faith K.J Roberts CNZM
Registered Office	Booths Central Office Longridge Road Ribblesdale Preston PR2 5BX
Company Number	00049933
Auditor	MHA Moore and Smalley Richard House 9 Winckley Square Preston PR1 3HP



## Strategic Report

### Review and Development of the Business

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

As detailed in last year's future strategy section of the report, 2023 was going to be a challenging trading year. The rising inflationary pressures driven by the conflict in Eastern Europe, cost of living challenges experienced by all, and the Government and Bank of England's interventions has meant that the financial performance has met internal expectations, albeit down against the extraordinary Pandemic driven years. We have however achieved a result that provides a sustainable platform for future growth.

While the financial pressures mounted, celebrations were also on the agenda with the company recognising 175 years of trading, coupled with Her Majesty the Queen's Platinum Jubilee in June 2022. Later in the year we mourned the passing of our longest serving monarch which the company recognised by closing the stores as a mark of respect.

Despite all of the external challenges affecting performance, the Board are pleased to report that the continued focus of the team to adapt, improvise and overcome the many uncertainties resulted in the achievement of its internal targets. This was achieved by staying true to our purpose through inspiring and nourishing our customers' desire for delicious food and drink. 2023's highlights included: -

- Overall customer offering, as measured through the "Dear Booths" weekly customer survey (Net promoter Score) results, improved by 1% to 72% reflecting the great work the teams have done over the past few years in raising service standards. With increased footfall year on year, customers continued to believe that Booths were meeting their expectations while we made strong efforts to understand how they were feeling about their shopping experience.
- Trading patterns were in line with the 3 year growth expectations of +8% after taking out the effects of lockdowns. Although performance was mixed across the year, growth was seen within the "Lakes" stores and Café operations, as the effects of lockdown restrictions eased, offset by the cost of living crisis, difficulties around labour resourcing, and the continued inconsistencies in the availability of goods.
- Christmas, one of our key trading periods, didn't disappoint with another record sales period. Sales were up 2.8% (2022: up 6.5%) over the three-week trading period to the 31st December 2022;
- Business to Business channels, despite the same challenges that affected the store sales, delivered a sales increase of £0.3m to £11.5m (2022: £11.2m).

Overall sales fell by 3.2% (£9.4m) to £287.3m, with half of this fall coming from a non-comparable 53rd trading week in last year's accounts and the balance coming from a more normalised non Covid-19 impacted trading year. Overall trading was in line with expectations and continues to increase on a like for like basis against pre Pandemic levels.

Gross profit decreased by £7.1m from £36.8m to £29.7m in the year. As previously reported, 2023 would return to a more normalised profitability period, however performance was affected by the continued effects of annual national living wage and abnormal utility cost increases driven by the Eastern European conflict. Overall Profit before Interest and Taxation decreased by £6.9m to £0.1m (2022: £7.0m), with Earnings before Interest, Tax and Depreciation ("EBITDA") decreasing by £5.6m to £7.7m (2022: £13.3m). As a result of the trading conditions the group made a loss before taxation of £4.0m, compared to a profit of £3.0m last year. The EBITDA of £7.7m was £0.8m ahead of 2019 and £0.4m ahead of 2020 performance - an underlying growth in earnings of c5-6%, in line with internal expectations.

The company continued to invest in sustainable future performance by continuing to utilise funds generated in the Pandemic years to support core operating systems improvements and major store refurbishments - timings of which have been affected by the same trading difficulties referenced above. A major overhaul of the base sales, stock and systems infrastructure started in the year with an expected delivery of the first phase by March 2025. The refurbishments of the Windermere and Kendal stores were completed in the last twelve months, with work having commenced at the Clitheroe store which is expected to be completed in time for Christmas trading.

Net bank debt increased £2.2m to £17.6m (2022: £15.4m) principally driven by the investments made for the year. However, this remains lower than levels seen before the Pandemic and the company continues to manage appropriate debt levels to support the ongoing business plan with the support of its senior lenders.

With a clear focus on underlying trading relative to pre Pandemic levels, the company has continued to operate in a more sustainable manner with its Environment, Social and Governance Policy ("ESG") at the core of its operations. The company continues to put its colleagues and customers at the forefront of decision making while continuing to implement environmental strategies within a strong ESG framework.

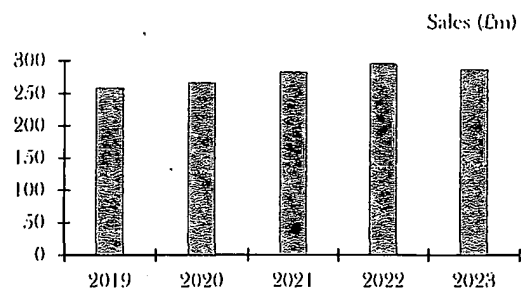


## Strategic Report

### Key Financial Indicators

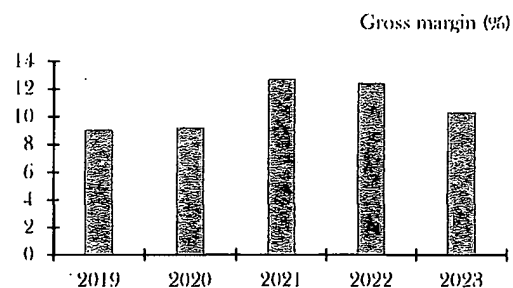
#### Sales

Sales at £287.3m were down £9.4m or 3.2% compared to prior year. Excluding the additional trading week last year, sales fell by an underlying 1.4%.



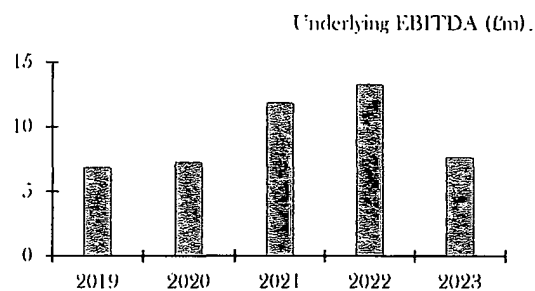
#### Gross margin

The gross profit margin at 10.3% is 2.1% lower than the prior year's 12.4%, with the cost of wages and utilities making up the most of this reduction.



#### Underlying EBITDA

Underlying EBITDA (excludes profits/(losses) on disposal of property interests and other assets plus exceptional items net of Covid adjustments) has fallen by £5.6m to £7.7m but remains ahead of 2018 to 2020 levels.





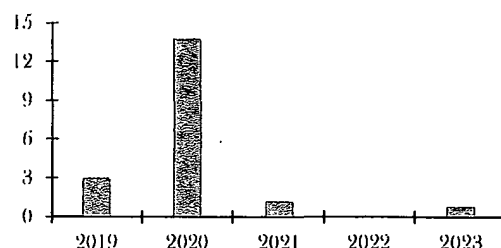
## Strategic Report

### Key Financial Indicators *(continued)*

#### Pension asset/(deficit)

The defined benefit pension scheme asset has increased by £0.7m to £0.8m. Assets have decreased by £27.2m to £62.9m and liabilities have decreased by £27.9m to £62.1m over the period. The abnormal movements are as a result of volatile market conditions around safe bond funds versus decreases in RPI and increases in the discount factor.

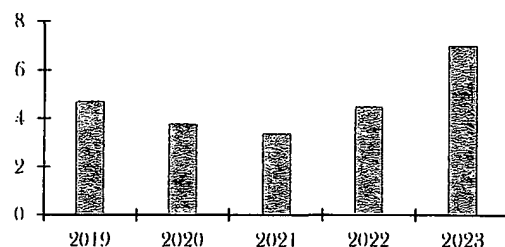
Pension asset/(deficit) (£m)



#### Capital expenditure

Spending on capital items (capex) during the year totalled £7.0m compared to £4.5m in the prior year. Projects identified but not yet started have been carried forward into next year of £3.7m (2022: £2.3m).

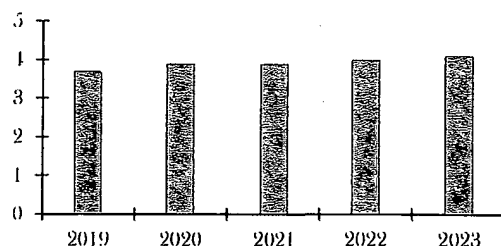
Capital expenditure (£m)



#### Interest payable

Interest payable and similar charges increased by £0.1m from £4.0m to £4.1m in the year. Cash payable on Bank overdrafts and the Ground Rent Transaction increased by £0.1m to £2.7m (2022: £2.6m).

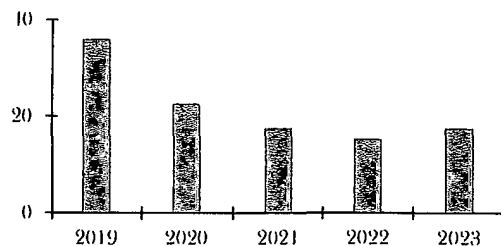
Interest payable & similar charges (£m)



#### Net bank debt

Net bank debt increased by £2.2m from £15.4m to £17.6m.

Net Bank Debt (£m)





## Strategic Report

### Duty to promote the success of the group

Section 172 of the Companies Act 2006 requires the directors to act in a way that they consider, in good faith, would be the most likely to promote the success of the company for the benefits of its stakeholders as a whole, and in doing so have regard to: -

#### (1) The long-term consequences

Performance over the past twelve months is more in line with an underlying business plan that the Board have been working towards. This has been delivered by focussing on elements under our control while absorbing the ever increasing cost pressures of wage increases, tax changes and inflation. This though has been further exacerbated by the Eastern European conflict which will affect utility costs and supply chains for the foreseeable future. The company will remain true to its slogan "The Good Grocers" and the Purpose, which underpins the company's ability to perform sustainably in the future. The company will continue to utilise its assets on hand to deliver the best possible shopping experience around food and drink for its customers while continually improving the effectiveness of operating costs in all areas.

#### (2) The interests of the employees

The biggest asset in the company is its colleagues and being a responsible employer will always be a key focus for the Board. The past few years have illustrated this with colleagues continuing to go that extra mile to support the business plans and objectives. Booths colleagues remain engaged, involved and well informed. The Directors have continued to deliver recognition measures that go beyond national wage increases and have also introduced other benefits that colleagues value as part of their day to day working lives. The Director's Report on pages 10 to 12 shows the continued investment being made in Employee wellbeing and engagement.

#### (3) Foster the group's business relationships with suppliers, customers and others

All stakeholders continue to be treated fairly as part of the sustainable profit growth model. The directors believe all major stakeholders in the business are treated and managed fairly with capital resources being allocated to ensure an optimised balanced platform; in employee remuneration strategy, customer loyalty schemes, supplier payments, the group's closed out defined pension support payments, appropriate dividend models and bank debt management.

#### (4) Impact on the community and the environment

As set out in the Director's Report on pages 10 to 12, the group recognises the effect its business has on communities not only in being a local destination for good food and drink but also in the way it impacts upon communities through support, investment and how it also respects the environment through the responsible use of resources. These resources are managed to promote a balance in line with financial factors to ensure that environmental and social impact baselines can be established, maintained and improved upon in future years.

#### (5) Maintaining a reputation for high standard of business conduct

The group was founded on core family values, and these are still an important part of the way the group is governed today. Internal and external policies are reviewed by the directors, aligned to best practice and enshrine all statutory legislation. The culture of the group is founded upon a common purpose, one of being focused on people, product and place and a spirit of encouraging colleagues throughout the business to be the best they can be. The company's beliefs and character as described in its Purpose underpin the aspiration to be "The Good Grocer" in promoting a trusting relationship with customers by procuring, making and selling the best food and drink.

#### (6) Act fairly between members of the group

The group has a board of directors with a good blend of family representation, expert executives; and an independent non-executive director who brings a wealth of experience to ensure the Board's decision making is objective, sound and aligned to its shareholders as a whole for the long term.



## Strategic Report

### Overall risk management

The risk management strategy is closely aligned to the philosophy of the business and is conducted 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. Most risks can be managed both from a financial and reputational point of view and those identified over the last year have been well managed, however it is the current economic risks that businesses will need to overcome in the coming months and maybe years: -

#### Inflation

Overall inflation continued to rise in 2022/23 and peaked in early 2023 with many experts predicting steep falls before 2024. It is clear that utilities and food pricing have had a significant effect on inflation, but other factors continue to stop inflation falling quicker than experts predicted, namely interest rates and overall wage inflation. This unrest in the market will continue to weigh heavily on customers disposable income and spending habits, but the company is focused on managing what it can through these turbulent times by managing cost inflation, investments and operational structures to maintain company profits and meet its financial obligations. Regular weekly reviews continue to be undertaken to quantify the effects of this on all aspects of the company with mitigation plans implemented, where possible, to ensure the core trading proposition isn't undermined.

### Financial risk

The group's operations expose it to a variety of financial risks that include the effects of changes in debt, market prices, liquidity and interest rates. The group has in place a risk management programme that seeks to limit the potential for adverse effects on the financial performance of the group by monitoring levels of debt finance and the related finance costs. The following areas are covered as part of the financial risk management:

#### 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, along with its improved Loyalty Card cash and product benefit scheme, has enabled this risk to be mitigated. Despite the economic backdrop posing numerous risks, the company relies upon its customer experience survey, 'Dear Booths' (NPS), to help its decision making on a day to day basis.

#### Funding and liquidity

Funding requirements are managed for both the short term and long-term cash flow needs of the business, ensuring the group has sufficient available funds for operations and planned developments. The trading patterns and business plans, together with budgets and reforecasts where applicable, are considered alongside the facility currently agreed with our banking relationship partners. Details of the group's borrowings are provided in note 17 to the accounts.

#### Interest rate

The group is exposed to interest rate fluctuations on the bank borrowings and enters into hedging arrangements where it is felt appropriate by the group Board.

#### Trade credit insurance

The group operates with a large number of suppliers, who for various reasons, will rate their financial risk on the historical trading with the group and if new will start to trade cautiously until such patterns are established. Other companies however call upon trade credit insurance companies to guarantee trade to a level, for a paid cash premium and based upon past trading performance. The group, although not directly obligated, works closely with these companies to provide an appropriate level of information in order that suppliers are able to trade securely with the group throughout the year.

#### Foreign currency

The group has limited exposure to foreign currency fluctuations and considers forward exchange contracts for major foreign currency exposure where appropriate.

#### 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.





## Strategic Report

### Financial risk *(continued)*

#### Energy

The business operates risk management processes for the procurement of both electricity and gas contracts. The company has established effective working relationships with energy advisors and procurement specialists to identify ways of improving volume management and investment in identifying more efficient ways of providing power to the trading sites.

#### 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 the potential for 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 colleagues operate within safe and legal guidelines for product handling and working standards. These guidelines are reviewed regularly by the Board and Senior Management.

#### Streamlined Energy & Carbon Reporting

The information below summarises the energy usage, associated emissions, energy efficiency actions and energy performance for the group, under the government policy Streamlined Energy & Carbon Reporting (SECR), as implemented by the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

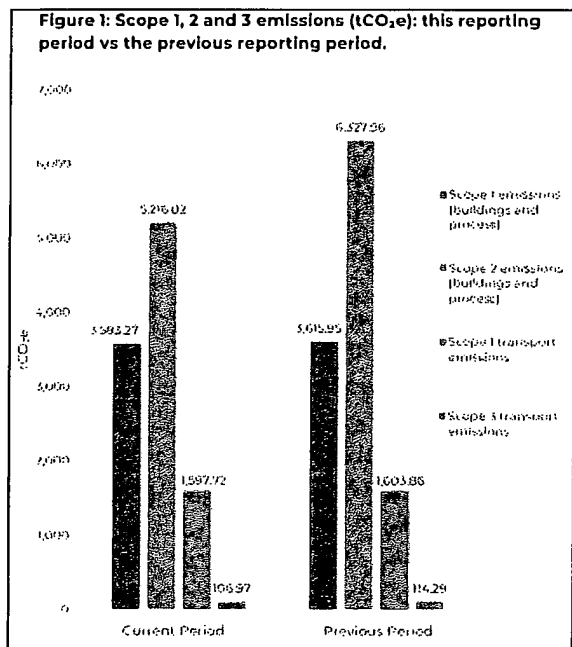
Under the SECR legislation we are mandated to include energy consumption, emissions, intensity metrics and all energy efficiency improvements implemented in our most recent financial year.

#### Year 3

Scope 1 and 3 direct emissions (combustion of natural gas and transportation fuels) for this year of reporting are 5,287.96 tCO<sub>2</sub>e, resulting from the direct combustion of 26,729,955 kWh of fuel. This represents a carbon reduction of 0.87% from last year.

Scope 2 indirect emissions (purchased electricity) for this year of reporting are 5,216.02 tCO<sub>2</sub>e, resulting from the consumption of 26,972,907 kWh of electricity purchased and consumed in day-to-day business operations. This represents a carbon reduction of 17.57% from last year.

Operations have an intensity metric of 3.26 tCO<sub>2</sub>e/employees for this reporting year as versus 3.78 in the previous reporting period, a decrease in operational carbon intensity of 13.68%.





## Strategic Report

### Streamlined Energy & Carbon Reporting (continued)

#### Annual Reporting Figures

The total consumption (kWh) and emission (tCO<sub>2</sub>e) figures for energy supplies reportable by the group are detailed below with conversion factors to tCO<sub>2</sub>e detailed in the Appendix section below: -

Utility and Scope	2022/23 Consumption (kWh)	2021/22 Consumption (kWh)	Year on Year change %	2022/23 Consumption (tCO <sub>2</sub> e)	2021/22 Consumption (tCO <sub>2</sub> e)	Year on Year change %
Grid-Supplied Electricity (Scope 2)	26,972,907	29,802,471	-9.5%	5,216.02*	6,327.96*	-17.6%
Gaseous and other fuels (Scope 1)	19,630,032	19,712,025	-0.6%	3,583.27	3,615.95	-0.9%
Transportation (Scope 1 and 3)	7,099,923	7,270,269	-2.3%	1,704.69	1,718.15	-0.8%
<b>Total</b>	<b>53,702,862</b>	<b>56,814,765</b>	<b>-5.5%</b>	<b>10,503.98</b>	<b>11,662.06</b>	<b>-9.9%</b>

\*Please note that the Electricity consumption is from 100% green electricity sources and is REGO backed.  
The emission shown are based on location-based emissions.

An intensity metric of tCO<sub>2</sub>e per FTE has been applied for the annual total emissions for the group. The methodology of the intensity metric calculations are detailed in the section (reporting methodology), and results of this analysis is as follows:

UK Intensity Metric	2022/23	2021/22
tCO <sub>2</sub> e / employee headcount	3.26	3.78
tCO <sub>2</sub> e per £m turnover	36.56	39.31

#### Reporting Methodology

Scope 1 and 2 consumption and CO<sub>2</sub>e emission data has been calculated in line with the 2019 UK Government environmental reporting guidance. The following Emission Factor Databases consistent with the 2019 UK Government environmental reporting guidance have been used, utilising the current published kWh gross calorific value (CV) and kgCO<sub>2</sub>e emissions factors relevant for reporting year 01/04/2022 - 31/03/2023:

Database 2022, Version 1.0.

All consumption data for E.H. Booth & Co Limited was complete for the reporting period. Therefore, no estimations were required.

Intensity metrics have been calculated utilising the 2022/23 reportable figures for the following metrics, and tCO<sub>2</sub>e for both individual sources and total emissions were then divided by this figure to determine the tCO<sub>2</sub>e per metric:

- Total turnover (£m) £287.3m
- Employee headcount 3,222

#### Energy Efficiency Improvements

Measures ongoing and undertaken through 2022/23:

The group benefitted from the annualised impact of the two store development projects completed in 2022/23 and invested in a further store development through the partnership with E.ON. The group also purchased more efficient commercial vehicles which also feature refrigeration units powered by the vehicles' drive systems. The group commenced a rolling programme to install LED lighting ahead of the full store development plan. In addition, the group have focussed on behavioural impacts through improved reporting and the planting of 175 trees to celebrate the 175th anniversary of Booths.

Measures prioritised for implementation in 2023/24:

The plan for 2023/24 is to complete one further store development, continue the roll out of LED lighting at sites and invest in more efficient Manual Handling Equipment (MHE).



## Strategic Report

### Future strategy and Financial Year 2022/23:

The financial year 2022/23 has delivered the results which we expected although on an ever challenging economic platform plagued with non-controllable events.

We trade in uncertain times, and the measures we introduced in 2017/18 to promote skill and agility throughout the business have continued to develop to good effect. We now have a fully-fledged and ably led Learning & Development capability which is enabling colleagues far and wide to become better retailers. I will venture to suggest that these enhanced competences are contributing towards the increased NPS scores that we are enjoying.

We have now become active in employing a small number of prisoners on temporary release (ROTL) and the initiative has been a success. I chair an Employment Advisory Board (EAB) at HMP Lancaster Farms as part of a nationwide push to reduce re-offending and Booths is now playing its part with a view to more prison leavers gaining sustainable employment which, in turn gives them the opportunity to integrate into society. I am proud that we employ an ex-offender at one of our stores who has been supporting our recruitment at HMP Kirkham prison and who also spoke at a recent Booths management conference.

One of our charitable activities for a while now has been to raise money for CureLeukaemia and I joined a team of 11 cyclists to ride from London to Paris with view to swelling the funds. There will be many other activities throughout the business and, as I write, a sum of over £42k has been raised so far. My thanks to our team leader Nigel Murray for his organisation and encouragement.

The background to trading over the year under review is well documented and although the inflation in food appears to be easing there is now the prospect of core inflation driven by higher costs of borrowing. It is too early to say with any certainty what effect this will have on our customers' spending power, but it is still possible that the UK could lurch into recession over the next 6 months. Whatever happens, we will keep an ear close to the ground and act swiftly to address the circumstances in ensuring that our customers receive the best possible service.

In September I will reflect on 50 years at Booths and truly, it doesn't feel anything like that. It has been fascinating to note the myriad of changes that have taken place in our industry and the constantly changing customer tastes. Although Booths is now over 175 years old, I am energised by the knowledge that we are constantly looking forward which gives me confidence in our prospects for the future. At board level I am supported by executive and non-executive Directors who love every minute in the business, constantly working to keep Booths at the forefront of grocery retailing. A short while ago we had a visit from analysts from the Institute of Grocery Distribution (IGD) who met with the Executive. I am proud to say that they were amazed at the quality of our shop floors and levels of availability. I referred to the dedication of the executive team last year and they continue to operate the business with great skill so that colleagues in every part of Booths are able to perform at their best. However, we will not rest on our laurels but use our focus to deliver the plans both to modernise operations and keep the stores attractive and up to date.

The financial performance year to date has been steady with strong sales and for the remainder of the year we will deliver the best possible service to deliver a satisfactory result while maintaining investments that position the business well for the future.

My thanks go to every colleague throughout Booths, our suppliers and the many businesses that support our fine enterprise. We all work together to keep Edwin Henry Booth's dream alive – to be "The Good Grocers".

This report was approved by the board on 5 July 2023 and signed on its behalf.

EJ Booth CBE DL (Executive Chairman)  
Central Office  
Longridge Road  
Ribbleton  
Preston  
PR2 5BX



## Directors' Report

The directors have pleasure in submitting their annual report, together with the audited financial statements for the group for the year ended 1 April 2023.

### Directors

The directors who served during the year are shown below:

E J Booth CBE DL (Executive Chairman)  
D G Booth  
N R Murray  
R A Faith  
K J Roberts CNZM

### Dividends

Dividends paid out for the period were 19p per share costing £239,000 (2022: 17p per share costing £214,000). The directors do not recommend a final dividend to be paid (2022: 19p per share costing £239,000)

### Environment, Social and Governance Policy ("ESG")

The directors and its senior management team have combined several key areas of governance within a new ESG policy that reflects the way the group is managed in terms of its purpose and engagement.

#### Environment and community

The group invests a lot of time within its communities by providing out of trading hours space within its buildings for meetings, support groups and charities. The group raises annual income through profits made on plastic "bags for life" and recycling initiatives that are then directly re-invested back into worthwhile community initiatives.

Environmental issues will always be high on the group's agenda as it looks to ways of reducing its impact on the community. Energy management, given current World economic challenges, continue to be at the forefront of the employees' minds with simple initiatives being put in place to reduce usage, be it through investment or reviewing operating times of energy intensive equipment.

Commodities that damage the environment, especially plastic, are being replaced with alternatives (glass or cardboard) where viable. Water and waste management are carefully managed with external experts so as to maintain effective use and benefit to the community along with maintaining zero to landfill accreditation.

#### Employee wellbeing and involvement

The group encourages a rewarding, fair and diverse working environment. Remuneration strategies to reward performance across all areas of the group are reviewed and agreed annually by the directors. The group has published annual Gender Pay Reports, accessible through the website ([www.booths.co.uk](http://www.booths.co.uk)) which show the progress the company has made in this area.

The group is committed to ensuring that people with disabilities are encouraged to apply for employment at Booths and have the opportunity to make progress in their careers. They enjoy equality of opportunity in respect of recruitment, selection, terms and conditions, training and promotion, so far as is justifiable. Every reasonable effort is made to enable disabled persons to thrive in their careers with the company.

Employee safety and wellbeing is engrained within all business activity and has prominence in all activity undertaken and in day-to-day decisions. Forums are held regularly where feedback is exchanged on a face-to-face basis with senior management and performance against key performance indicators is regularly reviewed by the Board.

The group aligns its colleagues with the running of the business through discretionary employee share ownership.

### Governance

The group rewards measures to sustain future prosperity and operates within a specific corporate governance framework, which is aligned with governance codes including the Wates Corporate Governance Principles for Large Private Companies.

The Strategic Report highlights key elements of the group's Purpose which is "to be loved by its customers for inspiring and nourishing their desire for delicious food and drink". The culture of the group is fuelled by this purpose that promotes one team, one goal. Our Purpose and its principles are used in everyday engagements from the boardroom to the shop floor and are reviewed regularly to maintain a keen focus on People, Product and Place.



## Directors' Report

### Environment, Social and Governance Policy ("ESG") – Governance *(continued)*

The Board and its senior management team constitute an appropriate blend of family members, experienced industry experts and an independent non-executive who challenges the effective running of the company. All business plans, reviewed and approved at these meetings, are aligned to sustained profitable growth to all stakeholders' needs. Long-term value is promoted in all decision making with risks; especially Health, Safety, Food Hygiene and Environment being discussed at least quarterly, and actions taken to continually improve operations in these areas. The Board takes a serious view of its fiduciary responsibilities in ensuring that the group is configured for sustainable growth.

Audit, Remuneration and Nomination functions are dealt with by the board as a whole with the non-executive directors undertaking scrutiny of subjects where conflict or personal interest arises. All matters in connection with the aforementioned are brought to the board for consideration and ratification as required. External professional advisors are engaged on matters of subjectivity if needed.

### Stakeholder engagement

Effective communication and engagement with stakeholders (shareholders, customers, suppliers, colleagues, pension scheme trustees and lenders) is considered to be paramount in maintaining the group's reputation and success.

Shareholders receive an annual update on performance at the Annual General Meeting and also by means of Newsletters, the Booths Christmas Book, and general communications – each of which helps them to understand the financial stability and progress of the group during the year.

The senior management, which includes the directors and heads of functions support customer, supplier and employee relationships across all areas of the group (stores, manufacturing, logistics and the support centre). Their personal approach enables the group to participate in fair supplier payment practices and provide industry leading customer service.

Regular updates on performance (financial and non-financial) are shared with all colleagues and this is considered to be of great importance in delivering customer service and overall group objectives. Monthly bulletins, on-line videos, notice boards, intranet, social media, pulse surveys and regular departmental meetings are all provided to keep colleagues well informed.

Group performance is regularly shared with pension scheme trustees and lenders, with the directors focused in balancing their needs with those of the group.

Additional information about the group's activities can be accessed through the website ([www.booths.co.uk](http://www.booths.co.uk)).

### Going concern

The group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 2 to 9. The financial position of the group (and company), its cash flows; liquidity position and borrowing facilities are presented on pages 18 and 20 and in note 17 of the accounts. The current political and economic conditions, together with a competitive market have created uncertainty, particularly regarding sales performance. The forecasts prepared by the directors demonstrate that they anticipate the business will continue to operate within both its current debt facilities and financial covenants. The group also has a strong portfolio of properties and there are other mitigating activities identified by the directors that they can turn to should the need arise.

Therefore, the directors have an expectation that the group has adequate resources to continue in operational existence for at least twelve months from the date of approval of these financial statements. Thus, they continue to consider it appropriate to adopt the going concern basis in preparing these financial statements.

### Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of Streamlined Energy and Carbon Reporting.

### Financial instruments

Details of financial risk management are provided in the Strategic Report on pages 6 and 7.



## Directors' Report

### Directors' indemnities

The directors are entitled to be indemnified by the company to the extent permitted by law and the company's Articles of Association in respect of all losses arising out of or in connection with the execution of their powers, duties and responsibilities. The company has executed deeds of indemnity for the benefit of each director in respect of liabilities which may attach to them in their capacity as directors of the company. The company purchased and maintained directors' and officers' liability insurance throughout 2022/23, which has been renewed for 2023/24.

### Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements 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 financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 financial statements;
- prepare the financial statements 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 and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Statement of disclosure to auditor

We, the directors of the group who held office at the date of approval of these financial statements 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.

This report was approved by the board on 5 July 2023 and signed on its behalf.

E J Booth CBE DL (Executive Chairman)  
Central Office  
Longridge Road  
Ribbleton  
Preston  
PR2 5BX



## Independent Auditor's Report to the Members of E H Booth & Co Limited

### Opinion

We have audited the financial statements of E H Booth & Co Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 1 April 2023 which comprise the Group Income Statement, Group Statement of Comprehensive Income, the Statements of Financial Position, the Statements of Changes in Equity, the Group Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 1 April 2023, and of the group's loss 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.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group and parent company's ability to continue to adopt the going concern basis of accounting included a review of: the forecasts covering at least twelve months from the approval of the financial statements, bank covenant compliance, the post year end management accounts and the up to date cash position. We observed that there appears to be sufficient financial headroom to continue trading for at least twelve months from the approval of the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



## Independent Auditor's Report to the Members of E H Booth & Co Limited

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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 financial statements 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 12, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiries with management and staff in compliance functions, about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing Board meeting minutes to identify any evidence of ongoing litigation or enquiries;
- Challenging assumptions and judgements made by management in their key accounting estimates, in particular in relation to impairment reviews, the FRS 102 pension valuation, provisions and future performance in light of the impacts of the current inflationary pressures on the business;





## Independent Auditor's Report to the Members of E H Booth & Co Limited

### Auditor's responsibilities for the audit of the financial statements *(continued)*

- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Auditing the risk of fraud in revenue, through the testing of the cut off of income at the year end and transaction testing to ensure revenue is complete in the financial statements and recognised in the correct accounting period. This covers the key areas of store sales, business to business trading and supplier income. Our testing includes a review of the revenue recognition policies and application thereof.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety; food hygiene, licensing, employment law; copyright and trademarks; General Data Protection Regulation (GDPR); and compliance with the UK Companies Act.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditors/audit-assurance-ethics/auditors-responsibilities-for-the-audit>. This description forms part of our auditor's report.

### Use of report

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.

Paul Spencer (Senior Statutory Auditor)  
For and on behalf of MHA Moore and Smalley  
Chartered Accountants  
Statutory Auditor

Richard House  
Winckley Square  
Preston  
PR1 3HP

5 July 2023



## Group Income Statement for the year ended 1 April 2023

	Note	2023 £'000	2022 £'000
Turnover	1	287,315	296,700
Cost of sales		<u>(257,657)</u>	<u>(259,859)</u>
Gross profit		29,658	36,841
Administrative expenses		(29,029)	(29,639)
Profit on disposal of property interests and other assets		25	592
Other exceptional charges	4	<u>(599)</u>	<u>(781)</u>
Profit before interest and taxation	2	55	7,013
Net finance credit on defined benefit pension scheme	19	15	39
Interest payable and similar expenses	5	<u>(4,073)</u>	<u>(4,031)</u>
(Loss)/profit before taxation		(4,003)	3,021
Tax on (loss)/profit	8	<u>543</u>	<u>(943)</u>
(Loss)/profit for the financial year		<u><u>(3,460)</u></u>	<u><u>2,078</u></u>

The income statement has been prepared on the basis that all operations are continuing.



## Group Statement of Comprehensive Income for the year ended 1 April 2023

	Note	2023 £'000	2022 £'000
(Loss)/profit for the financial year		(3,460)	2,078
Other comprehensive expense			
Remeasurement loss on defined benefit pension plan	19	<u>(174)</u>	<u>(1,724)</u>
Total comprehensive (expense)/income for the year		<u>(3,634)</u>	<u>354</u>



## Statement of Financial Position as at 1 April 2023

	Note	Group		Company	
		2023	2022	2023	2022
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	10	2,275	2,377	2,275	2,377
Tangible assets	11	96,714	96,671	85,131	84,897
Investments	12	(69)	(69)	5,083	5,083
		98,920	98,979	92,489	92,357
Current assets					
Stocks	13	18,996	16,582	18,996	16,582
Debtors - amounts falling due within one year	14	5,757	5,217	6,207	5,623
Debtors - amounts falling due after more than one year	14	-	-	18,357	18,684
Cash at bank and in hand		9,350	12,770	9,348	12,762
		34,103	34,569	52,908	53,651
Creditors - amounts falling due within one year	15	(36,429)	(31,366)	(36,429)	(31,366)
Net current (liabilities)/assets		(2,326)	3,203	16,479	22,285
Total assets less current liabilities		96,594	102,182	108,968	114,642
Creditors - amounts falling due after more than one year	16	(67,406)	(67,834)	(67,406)	(67,834)
		29,188	34,348	41,562	46,808
Provision for liabilities and charges	18	(289)	(890)	(289)	(890)
Net assets excluding pension asset		28,899	33,458	41,273	45,918
Defined benefit pension asset	19	755	69	755	69
Net assets		29,654	33,527	42,028	45,987
Capital and reserves					
Called up share capital	20	1,256	1,256	1,256	1,256
Profit and loss account	21	28,398	32,271	40,772	44,731
Shareholders' funds		29,654	33,527	42,028	45,987

These financial statements were approved and authorised for issue by the board on 5 July 2023.

Signed on behalf of the board of directors

E.J. Booth CBE DL - Director  
Company Number 00049933

D.G. Booth - Director



## Statement of Changes in Equity as at 1 April 2023

Group	Share capital	Profit and loss account	Total
	£'000	£'000	£'000
At 27 March 2021	1,256	32,131	33,387
Profit for the year	-	2,078	2,078
Remeasurement loss on defined benefit pension plan	-	(1,932)	(1,932)
Tax on components of other comprehensive loss	-	208	208
Dividends	-	(214)	(214)
At 2 April 2022	1,256	32,271	33,527
Loss for the year	-	(3,460)	(3,460)
Remeasurement loss on defined benefit pension plan	-	(232)	(232)
Tax on components of other comprehensive loss	-	58	58
Dividends	-	(239)	(239)
At 1 April 2023	1,256	28,398	29,654

Company	Share capital	Profit and loss account	Total
	£'000	£'000	£'000
At 27 March 2021	1,256	44,612	45,868
Profit for the year	-	2,057	2,057
Remeasurement loss on defined benefit pension plan	-	(1,932)	(1,932)
Tax on components of other comprehensive loss	-	208	208
Dividends	-	(214)	(214)
At 2 April 2022	1,256	44,731	45,987
Loss for the year	-	(3,546)	(3,546)
Remeasurement loss on defined benefit pension plan	-	(232)	(232)
Tax on components of other comprehensive loss	-	58	58
Dividends	-	(239)	(239)
At 1 April 2023	1,256	40,772	42,028



## Group Statement of Cash Flows for the year ended 1 April 2023

Note	2023	2022
	£'000	£'000
Cash flow from operating activities		
(Loss)/Profit for the year before taxation	(4,003)	3,021
Amortisation & depreciation of fixed assets	7,039	6,069
Net finance credit on pension scheme asset	(15)	(39)
Profit on disposal of property interests and other tangible assets	(25)	(14)
Profit on disposal of assets held for sale	-	(573)
Interest payable and similar expenses	4,073	4,031
Pension contributions paid in excess of current year service cost	(903)	(778)
Share of operating (profit)/loss of joint venture	-	(3)
Increase in stocks	(2,414)	(838)
Increase in debtors	(540)	(932)
Increase/(decrease) in creditors	4,497	(2,827)
Corporation tax paid	-	(270)
Net cash flow from operating activities	7,709	6,847
Cash flow from investing activities		
Payments to acquire intangible fixed assets	(1,246)	(981)
Payments to acquire tangible fixed assets	(5,742)	(3,513)
Receipts from sale of tangible fixed assets	33	21
Receipts from sale of assets held for sale	-	2,603
Net cash flow from investing activities	(6,955)	(1,870)
Cash flow from financing activities		
Interest paid	(2,685)	(2,596)
Repayments of loans	-	(3,400)
Repayment of revolving credit facility	(1,250)	-
Dividends paid	(239)	(214)
Net cash flow from financing activities	(4,174)	(6,210)
Net decrease in cash and cash equivalents	(3,420)	(1,233)
Cash and cash equivalents brought forward	12,770	14,003
Cash and cash equivalents carried forward	9,350	12,770
Cash and cash equivalents consists of:		
Cash at bank & in hand	17	9,350



## Accounting Policies for the year ended 1 April 2023

### Company information

E H Booth & Co Limited ("the Company") is a private company limited by shares, incorporated in England and Wales. The registered office is Booths Central Office, Longridge Road, Ribblesdale, Preston, PR2 5BX.

### Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' and the Companies Act 2006.

### Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the group and rounded to the nearest £'000.

### Going concern

The financial statements have been prepared on the going concern basis. Further details of the directors' assessment of going concern can be found in the Directors' Report on page 11.

### Basis of consolidation

The consolidated financial statements incorporate the financial statements 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 its estimated useful life. Joint ventures are accounted for within the consolidated financial statements under the equity method. As a consolidated income statement and a consolidated statement of comprehensive income are published, separate statements for the parent company is omitted from the consolidated financial statements by virtue of section 408 of the Companies Act 2006.

### Turnover and other income

Sale of goods and other income is measured at the fair value of the consideration received or receivable for goods supplied, net of Value Added Tax. The redemption of Booths vouchers issued to customers and the issue of complementary newspapers is recognised as a deduction from turnover.

### Sale of goods

Turnover from the sale of goods is recognised when significant risks and rewards of ownership of the goods have transferred to the buyer, the amount of turnover can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. This is usually at point of sale.

### 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.



## Accounting Policies for the year ended 1 April 2023

### Intangible fixed assets

Positive goodwill acquired on each business combination is capitalised, classified as an asset on the statement of financial position and amortised on a straight line basis over its useful life of 5, 7 or 20 years. The periods chosen for writing off goodwill are based on reliable estimates of future cash flows arising from each acquisition. These estimates are reviewed at each reporting date. Provision is made for any impairment.

Other intangibles include computer software and other identifiable development expenditure, which is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated. These are classified as an asset on the statement of financial position and amortised on a straight line basis over its useful life of 3 or 5 years.

### Tangible fixed assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, with the exception of land, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold and long leasehold buildings	2% on cost
Fixtures, plant and vehicles	4% - 50% on cost
Assets held under finance leases	evenly over the shorter of the lease period or useful economic life.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

### Fixed asset investments

Equity investments are recognised initially at fair value which is normally the transaction price. Subsequently, they are measured at fair value through profit or loss except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably which are recognised at cost less impairment until a reliable measure of fair value becomes available. If a reliable measure of fair value is no longer available, the equity instrument's fair value on the last date the instrument was reliably measurable is treated as the cost of the instrument.

### Impairment of fixed assets

The group assesses at each reporting date whether an asset may be impaired. If any such indication exists the group estimates the recoverable amount of the asset. If it is not possible to estimate the recoverable amount of the individual asset, the group estimates the recoverable amount of the cash generating unit to which the asset belongs. The recoverable amount of an asset or cash generating unit is the higher of its fair value less costs to sell and its value in use. If the recoverable amount is less than its carrying amount, the carrying amount of the asset is impaired and it is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement unless the asset is carried at a revalued amount where the impairment loss of a revalued asset is a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.





## Accounting Policies for the year ended 1 April 2023

### Stocks

Stock is valued at the lower of cost and net realisable value. Cost is calculated using the average cost method. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

### Financial assets

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

### Loans and receivables

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

### Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

### Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

### Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, ground rent liabilities, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.



## Accounting Policies for the year ended 1 April 2023

### Ground rent transaction

In March and April 2017, the company undertook financing transactions whereby it exchanged a 999-year long lease for a 175-year long lease on 14 of its stores (see note 16) and net consideration of £35.0m. These asset-backed financing arrangements have been treated as financing transactions as the directors consider this to best reflect the commercial substance of the transactions. Therefore these have been accounted for in accordance with FRS 102 Section 11: Basic Financial Instruments.

As the transactions have not resulted in a change to the risks and rewards incidental to ownership, the properties continue to be recognised at the previous carrying amounts and no disposal has been recognised.

The proceeds from the transaction are recognised as the initial liability. Annual lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability using the effective interest method. The related obligations, net of future finance charges, are included in creditors (see note 15 and 16).

### Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

### Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### Provisions

Provisions are recognised when the company has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

### Leases

Assets acquired under finance leases are capitalised and depreciated over the shorter of the lease term and the expected useful life of the asset. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability using the effective interest method. The related obligations, net of future finance charges, are included in creditors.

Rentals payable under operating leases are charged to the income statement on a straight line basis over the period of the lease.

### Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

### Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.



## Accounting Policies for the year ended 1 April 2023

### Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

### Foreign currencies

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

### Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### Retirement benefits

The group operates a defined benefit plan for the benefit of its employees. A liability for the company's obligations under the plan is recognised net of plan assets. The net change in the net defined benefit asset or liability is recognised as the cost of the defined benefit plan during the period. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method. Actuarial valuations are obtained at least triennially and are updated at each reporting date.

If the present value of the defined benefit obligation at the reporting date is less than the fair value of plan assets at that date, the plan has a surplus. The group recognises a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

The group also operates a group personal pension plan. Contributions to this scheme are charged to the income statement as they fall due.



## Significant Judgements and Estimates for the year ended 1 April 2023

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements and estimation uncertainties have had the most significant effect on amounts recognised in the financial statements.

### **Pension and other post-employment benefits**

The costs of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population bonds on which the discount rate is based, on the basis that they do not represent high quality bonds. The mortality rate is based on publicly available mortality tables. Future salary increases and pension increases are based on expected future inflation rates. Further details and the carrying amounts are disclosed in note 19.

### **Impairment of tangible fixed assets**

Where there are indicators of impairment of individual assets, the group performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the forecasts for the next five years and do not include significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes. The carrying amounts are disclosed in note 11.

### **Accounting for the ground rent transactions**

The directors have concluded that the transactions have not resulted in a change to the risks and reward incidental to ownership, nor the useful economic lives or residual values. Therefore accounting for the transactions as financing transactions (under FRS 102 Section 11: Basic Financial Instruments) best reflects the commercial substance of the transactions. This means no disposal has been recognised and the properties continue to be recognised at the previous carrying amounts.

The ground rent liabilities, included within creditors in the financial statements, represent a variable rate financial instrument, as the repayments are subject to an annual inflation adjustment. The initial liability is measured at the net proceeds received with an effective interest rate calculated based on expectations of future estimated cash flows. At the end of each future reporting period the effective interest rate is adjusted by comparing the carrying amount to the present value of new estimated future cash flows. The interest charged to the profit and loss account each year is based on this effective rate which factors in the impact of inflation of future lease payments. The carrying amounts are disclosed in notes 15 and 16.



## Notes to the Financial Statements for the year ended 1 April 2023

### 1 Turnover

Turnover represents external sales of goods during the period and is based on a 52 week accounting period (2022: 53 weeks). All turnover is derived from activities carried out in the UK.

### 2 Profit before interest and taxation

	2023 £'000	2022 £'000
Profit before interest and taxation is stated after charging:		
Depreciation of tangible fixed assets	5,691	5,500
Amortisation of intangible fixed assets	1,348	569
Operating lease rentals of:		
• Land and buildings	5,163	5,222
• Other	377	162
	<hr/>	<hr/>

### 3 Auditor's remuneration

	2023 £'000	2022 £'000
Fees payable to the company's auditor for the audit of the company's financial statements	54	47
	<hr/>	<hr/>
Fees payable to the company's auditor for the audit of the company's defined benefit pension scheme	7	5
	<hr/>	<hr/>

### 4 Other exceptional charges

	2023 £'000	2022 £'000
Lease variation costs	-	781
Other exceptional expenses	599	-
	<hr/>	<hr/>
	599	781
	<hr/>	<hr/>

Other exceptional expenses relate to one-off IT infrastructure costs.

In the prior year, lease variation costs include a one-off settlement to rebase the ongoing rent payable in relation to a trading store.

### 5 Interest payable and similar charges

	2023 £'000	2022 £'000
On bank loans and overdrafts	1,356	1,324
On ground rent liabilities: cash	1,329	1,272
On ground rent liabilities: non-cash	1,388	1,435
	<hr/>	<hr/>
	4,073	4,031
	<hr/>	<hr/>



## Notes to the Financial Statements for the year ended 1 April 2023

### 6 Staff costs

	2023 £'000	2022 £'000
Wages and salaries	49,495	49,947
Social security costs	3,331	2,871
Other pension costs	2,102	2,038
	<u>54,928</u>	<u>54,856</u>
Breakdown of the average number of employees:	No.	No.
Central office administration	177	159
Selling and distribution	<u>3,045</u>	<u>2,929</u>
	<u>3,222</u>	<u>3,088</u>

### 7 Directors' remuneration

	2023 £'000	2022 £'000
Directors' remuneration (including benefits in kind)	1,046	1,168
Company contributions to defined contribution pension plan	<u>37</u>	<u>36</u>
	<u>1,083</u>	<u>1,204</u>
Highest paid director - emoluments	<u>368</u>	<u>425</u>

The defined benefit pension scheme is closed to future accruals, therefore no directors for whom retirement benefits are accruing under defined benefit schemes amounted. The number of directors who accrued benefits under the defined contribution pension plan was 1 (2022: 1).

As at 1 April 2023 the highest paid director had accrued pension rights of £nil (2022: £nil).

The Board of Directors are considered to be the Key Management Personnel.



## Notes to the Financial Statements for the year ended 1 April 2023

8	Taxation		
	(a) Tax on (loss)/profit		
		2023	2022
		£'000	£'000
	Current year		
	UK corporation tax at 19% (2022: 19%)	-	-
	Deferred tax	(603)	1,015
		(603)	1,015
	Prior periods		
	UK corporation tax	-	(11)
	Deferred tax	60	(61)
		(543)	943
	Tax on (loss)/profit (note 8(c))	(543)	943
		(543)	943
	(b) Tax included in other comprehensive expense		
		2023	2022
		£'000	£'000
	Deferred tax		
	Reversal on remeasurement of defined benefit pension plan	(58)	(208)
		(58)	(208)
	(c) Reconciliation of tax charge		
	The difference between the tax on (loss)/profit (note 8(a)) and the (loss)/profit before tax multiplied by the applicable rate of corporation tax in the UK is reconciled below:		
		2023	2022
		£'000	£'000
	(Loss)/profit before tax	(4,003)	3,021
	UK corporation tax at the standard rate 19% (2022: 19%)	(761)	574
	Disallowed depreciation & impairment on non-qualifying assets	27	128
	Permanent differences relating to income & expenses	7	(93)
	Timing differences on pension asset movements	14	(160)
	Other timing differences	268	352
	Remeasurement of deferred tax for change in tax rates	(158)	214
	Adjustments in respect of prior periods	60	(72)
		(543)	943
	Tax on (loss)/profit (note 8(a))	(543)	943



## Notes to the Financial Statements for the year ended 1 April 2023

### 8 Taxation *(continued)*

The UK tax rate applying throughout the year was 19%. A rate change to 25% from 1 April 2023 was substantively enacted on 24 May 2021, therefore deferred tax has been calculated at this rate.

#### (d) Deferred tax

The amount of unused tax losses is £5.82m (2022: £0.03m). There is no expiry date on timing differences or unused tax losses.

An analysis of the deferred tax provision is provided in note 18. It is impractical to estimate the movement of the deferred tax asset relating to retirement obligations in the 12 months following the balance sheet date, due to the estimation uncertainty over the related obligations, which can only be assessed following the next balance sheet date. Furthermore as at the signing date of these financial statements, as the company has not finalised its capital expenditure programme for 2023/24, an assessment as to the likely movement of other related timing differences cannot be made.

### 9 Profit attributable to members of the parent company

The loss after tax but before dividends dealt with in the financial statements of the parent company was £3,546,000 (2022: profit of £2,057,000). The total comprehensive loss of the parent company was £3,720,000 (2022: income of £333,000).

### 10 Intangible fixed assets

Group and Company	Goodwill £'000	Other intangibles £'000	Total £'000
Cost			
At 3 April 2022	6,066	4,354	10,420
Additions	-	1,246	1,246
At 1 April 2023	6,066	5,600	11,666
Amortisation			
At 3 April 2022	5,837	2,206	8,043
Charge for the year	229	1,119	1,348
At 1 April 2023	6,066	3,325	9,391
Net book value			
At 1 April 2023	-	2,275	2,275
At 2 April 2022	229	2,148	2,377





## Notes to the Financial Statements for the year ended 1 April 2023

### 11 Tangible fixed assets

Group	Land and Buildings £'000	Fixtures, Plant and Vehicles £'000	Total £'000
Cost			
At 3 April 2022	102,099	142,480	244,579
Additions	-	5,742	5,742
Disposals	-	(16)	(16)
At 1 April 2023	102,099	148,206	250,305
Depreciation			
At 3 April 2022	34,359	113,549	147,908
Charge for the year	1,277	4,414	5,691
On disposals	-	(8)	(8)
At 1 April 2023	35,636	117,955	153,591
Net book value			
At 1 April 2023	66,463	30,251	96,714
At 2 April 2022	67,740	28,931	96,671
Net book value of land and buildings comprises:			
		2023 £'000	2022 £'000
Freehold		17,462	17,847
Long leasehold (more than 50 years unexpired)		49,001	49,893
		66,463	67,740
Non-depreciating assets included in land and buildings:			
Freehold		5,545	5,545
Long leasehold (more than 50 years unexpired)		25,849	25,849
		31,394	31,394



## Notes to the Financial Statements for the year ended 1 April 2023

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

Company	Land and Buildings £'000	Fixtures, Plant and Vehicles £'000	Total £'000
Cost			
At 3 April 2022	87,087	142,480	229,567
Additions	-	5,742	5,742
Disposals	-	(16)	(16)
At 1 April 2023	87,087	148,206	235,293
Depreciation			
At 3 April 2022	31,121	113,549	144,670
Charge for the year	1,086	4,414	5,500
On disposals	-	(8)	(8)
At 1 April 2023	32,207	117,955	150,162
Net book value			
At 1 April 2023	54,880	30,251	85,131
At 2 April 2022	55,966	28,931	84,897
Net book value of land and buildings comprises:			
		2023 £'000	2022 £'000
Freehold		10,931	11,215
Long leasehold (more than 50 years unexpired)		43,949	44,751
		54,880	55,966
Non-depreciating assets included in land and buildings:			
Freehold		2,166	2,166
Long leasehold (more than 50 years unexpired)		23,749	23,749
		25,915	25,915

The trading assets of the group, excluding those in the asset backed funding arrangement, are pledged as security to both the Royal Bank of Scotland Group and HSBC. In addition, both banks have a floating debenture over the other assets of the group.

In March and April 2017, the company undertook financing transactions whereby it exchanged a 999-year long lease for a 175-year long lease on 14 of its stores (see note 16) and net consideration of £35.0m. As a result, there was a transfer between freehold land and buildings and long leasehold land and buildings.



## Notes to the Financial Statements for the year ended 1 April 2023

### 12 Investments

#### Fixed asset investments

#### Group - Investment in joint venture

The share of assets, liabilities, revenue and profit/(loss) of the joint venture, which are included in the group financial statements, are as follows:

	2023 £'000	2022 £'000
Share of gross assets	-	1
Share of gross liabilities	(69)	(70)
Share of net liabilities	(69)	(69)
Share of operating profit/(loss)	-	3
Share of profit/(loss) after taxation and dividends	-	3

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. The year end for the joint venture falls on 31 December and it has been considered reasonable to take these figures for group reporting purposes to the group's reporting date. Booths Partnership Limited ceased to trade on 30 June 2022. The group's share of its net worth at 1 April 2023 have been incorporated in the group financial statements under the equity method. Amounts owed at the reporting date are disclosed within the debtors note as 'Amounts owed by joint venture'.

#### Company - Investment in group undertakings

	Shares in group undertaking £'000	Shares in joint venture £'000	Total £'000
At 2 April 2022 and 1 April 2023	5,083	-	5,083

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 statement of financial position.



## Notes to the Financial Statements for the year ended 1 April 2023

### 12 Investments (continued)

The company holds the ordinary share capital of the following companies:

	Country of registration or incorporation	Principal activity	Shares Held %
<b>Subsidiary undertakings</b>			
Booths Riversway Limited	England & Wales	Dormant	100
Booths (Lytham) Limited	England & Wales	Dormant	100
E.H. Booth (SLP) General Partner Limited	Scotland	Investment holding undertaking	100
<b>Joint venture</b>			
Booths Partnership Limited	England & Wales	Property development (ceased trading 30 June 2022)	50

The registered office address of the subsidiaries and joint venture registered in England and Wales is the same as that of the parent company. The registered office of E H Booth (SLP) General Partner Limited is HBJ Gateley, Exchange Tower 19 Canning Street, Edinburgh, Scotland, EH3 8EH.

In addition the company has a controlling interest in E H Booth Scottish Limited Partnership, an investment holding undertaking registered in Scotland. Its registered office is Exchange Tower, 19 Canning Street, Edinburgh, EH3 8EH.

The investment made by the company includes a capital contribution of £5.0m to E H Booth Scottish Limited Partnership (see note 14). This has been measured at cost on the basis that it represents equity that is not publicly traded and the fair value cannot otherwise be measured reliably.

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

### 13 Stocks

	Group and Company	
	2023	2022
	£'000	£'000
Goods for resale	18,996	16,582



## Notes to the Financial Statements for the year ended 1 April 2023

### 14 Debtors

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
<b>Amounts falling due within one year</b>				
Trade debtors	2,239	1,154	2,239	1,154
Prepayments and accrued income	3,449	3,994	3,899	4,400
Amounts owed by joint venture	69	69	69	69
	<u>5,757</u>	<u>5,217</u>	<u>6,207</u>	<u>5,623</u>
<b>Amounts falling due after more than one year</b>				
Prepayments and accrued income	-	-	18,357	18,684
	<u>5,757</u>	<u>5,217</u>	<u>24,564</u>	<u>24,307</u>

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 statement of financial position 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, during the year ended 29 March 2014, the company made a one off payment to the Pension Scheme of £20.0m to allow it to invest in the Partnership and this is treated as a prepayment of pension contributions. As the Partnership results are consolidated within the group results no prepayment is recognised in the consolidated financial statements.

The element of the prepayment classified as current included within the prepayments figure for the company is £0.3m (2022: £0.3m), the remaining balance of £18.4m (2022: £18.7m) is due after more than one year.

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

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Bank loan	500	-	500	-
Trade creditors	25,056	20,192	25,056	20,192
Corporation tax	9	9	9	9
Other taxes and social security costs	1,734	1,430	1,734	1,430
Accruals	7,723	8,394	7,723	8,394
Ground rent liabilities	1,395	1,329	1,395	1,329
Preference shares	12	12	12	12
	<u>36,429</u>	<u>31,366</u>	<u>36,429</u>	<u>31,366</u>

See note 16 for terms and security attributable to the ground rent liabilities.



## Notes to the Financial Statements for the year ended 1 April 2023

### 16 Creditors – amounts falling due after more than one year

	Group and Company	
	2023	2022
	£'000	£'000
Bank loans repayable by instalments:		
Repayable within one to two years	500	500
Repayable between two to five years	25,917	27,667
	<hr/>	<hr/>
	26,417	28,167
	<hr/>	<hr/>
Ground rent liabilities repayable by instalments:		
Repayable within one to two years	1,465	1,376
Repayable between two and five years	4,691	4,434
Repayable after five years	34,833	33,857
	<hr/>	<hr/>
	40,989	39,667
	<hr/>	<hr/>
	67,406	67,834
	<hr/>	<hr/>

#### Bank loans

On 1 April 2022 the facilities were amended and extended to 30 September 2025 with a further two one-year extension options. The new facilities include:

- £26.9m term loan repayable in instalments of £0.5m per annum, with the first payment due in July 2023 and the balance at the end of the term.
- Revolving Credit Facility of £10m of which £0.55m was utilised for Bank Guarantees.

The borrowings remain secured against specific properties and other assets and bear interest at 2.15% over SONIA (Sterling Overnight Index Average).

#### Ground rent liabilities

In March and April 2017, the company undertook financing transactions whereby it exchanged a 999-year long lease for a 175-year long lease on 14 of its stores and net consideration of £35.0m. The transactions enabled the company to monetise assets otherwise tied up in the company's freehold supermarket portfolio. The proceeds were then used to reduce the bank debt.

The initial consideration is repayable over 175 years with an initial yield of 3.2%. The annual repayments are £1.0m, subject to annual RPI inflation reviews with a cap and collar of 5% and 0% respectively.



## Notes to the Financial Statements for the year ended 1 April 2023

### 17 Analysis of changes in net debt

Group	At 2 April 2022 £'000	Cashflows £'000	Other non- cash changes £'000	At 1 April 2023 £'000
Bank borrowings				
Repayable within one year	-	-	500	500
Repayable within one to two years	500	-	-	500
Repayable between two and five years	27,667	(1,250)	(500)	25,917
	28,167	(1,250)	-	26,917
Cash and cash equivalents				
Cash at bank & in hand	(12,770)	3,420	-	(9,350)
Net bank debt	15,397	2,170	-	17,567
Ground rent liabilities				
Repayable within one year	1,329	(1,329)	1,395	1,395
Repayable within one to two years	1,376	-	89	1,465
Repayable between two and five years	4,434	-	257	4,691
Repayable after five years	33,857	-	976	34,833
Net debt	56,393	841	2,717	59,951

### 18 Provision for liabilities and charges

	Group and Company	
	2023 £'000	2022 £'000
Deferred taxation		
Balance brought forward	890	144
Movement to the income statement	(543)	954
Movement to other comprehensive income	(58)	(208)
Balance carried forward	289	890
The deferred taxation provision represents:		
Accelerated capital allowances	3,185	2,252
Taxable losses	(1,455)	(8)
Other timing differences	(1,630)	(1,371)
Actuarial gain credited to other comprehensive income	189	17
	289	890



## Notes to the Financial Statements for the year ended 1 April 2023

### 19 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 2021 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.

The funding policy is agreed between the scheme trustees and the company and is formally set out in a Statement of funding principles, scheme of contributions and recovery plan following each full actuarial valuation. Due to the closure of the scheme to future accrual, no more contributions in respect of future accrual are expected to be paid to the scheme. SLP distributions for the following year are expected to be £1.4m (recognised as a company contribution for accounting purposes).

Amounts recognised in the statement of financial position are as follows:

	2023 £'000	2022 £'000
Present value of funded obligations	(62,137)	(89,994)
Fair value of scheme assets	<u>62,892</u>	<u>90,063</u>
Net defined benefit asset	<u>755</u>	<u>69</u>

The directors believe that the company has an unconditional right to recover the surplus either through reduced contributions in the future or through refunds from the plan. Therefore in accordance with FRS 102 Section 28, the defined benefit pension asset has been recognised in the accounts.

Amounts recognised in the Income Statement are as follows:

	2023 £'000	2022 £'000
Administrative expenses	509	663
Net finance credit	<u>(15)</u>	<u>(39)</u>
	<u>494</u>	<u>624</u>





## Notes to the Financial Statements for the year ended 1 April 2023

### 19 Pensions (continued)

#### Analysis of amounts recognised in the Statement of Comprehensive Income:

	2023 £'000	2022 £'000
Return on plan assets in excess of interest income	28,009	10,468
Actuarial (gain)/loss on demographic assumptions	(1,082)	841
Actuarial gain on financial assumptions	(28,474)	(9,124)
Actuarial loss/(gain) on experience adjustment	1,779	(253)
	<u>232</u>	<u>1,932</u>
Deferred tax reversal on defined benefit asset	<u>(58)</u>	<u>(208)</u>
	<u>174</u>	<u>1,724</u>

#### Changes in the present value of scheme liabilities are as follows:

	2023 £'000	2022 £'000
Opening defined benefit obligation	(89,994)	(100,831)
Interest cost	(2,440)	(2,016)
Actuarial gain/(loss) on demographic assumptions	1,082	(841)
Actuarial gain on financial assumptions	28,474	9,124
Actuarial (loss)/gain on experience adjustment	(1,779)	253
Benefits paid	<u>2,520</u>	<u>4,317</u>
Closing defined benefit obligation	<u>(62,137)</u>	<u>(89,994)</u>

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

	2023 £'000	2022 £'000
Opening fair value of scheme assets	90,063	102,015
Interest income	2,455	2,055
Return on plan assets in excess of interest income	(28,009)	(10,468)
Contributions by employer	1,412	1,441
Administrative expenses	(509)	(663)
Benefits paid	<u>(2,520)</u>	<u>(4,317)</u>
Closing fair value of scheme assets	<u>62,892</u>	<u>90,063</u>



## Notes to the Financial Statements for the year ended 1 April 2023

### 19 Pensions (continued)

	2023 £'000	2022 £'000
Actual return on scheme assets	(25,554)	(8,413)

The assets of the scheme are invested as follows:

	2023 %	2023 £'000	2022 %	2022 £'000
Bond funds	46.78	29,421	40.05	36,069
Diversified growth fund	-	-	9.29	8,367
Liability driven investments funds	13.66	8,589	21.76	19,594
Cash funds	3.35	2,108	0.63	573
Insurance contracts	23.91	15,040	20.01	18,020
Other	12.30	7,734	8.26	7,440
	100.00	62,892	100.0	90,063

Financial assumptions determined are set out below:

	2023 %	2022 %
Discount rate	4.80	2.75
RPI inflation	3.30	3.60
CPI inflation	2.80	2.90
Salary increases	n/a	n/a
Pension increases - RPI max 5.0%	2.95	3.45
Pension increases - RPI max 2.5%	1.85	2.30
Pension increases - CPI max 2.5%	1.80	2.20

Duration of the scheme liabilities have been estimated to be 17 years and calculations have been carried out using best estimate assumptions. The financial assumptions have been derived in a consistent manner to prior years.

Demographic assumptions determined are set out below:

	2023 Yrs	2022 Yrs
Current life expectancy at age 63 - Male	21.4	21.4
Current life expectancy at age 63 - Female	24.1	24.0
Life expectancy at age 63 of a member currently aged 43 - Male	23.7	23.6
Life expectancy at age 63 of a member currently aged 43 - Female	26.5	26.4
	%	%
Cash commutation (maximum tax free cash available)	67.0	67.0



## Notes to the Financial Statements for the year ended 1 April 2023

### 19 Pensions (continued)

Actuarial tables used for the above demographic assumptions are 130%/110%/115% (non-insured pensioners/insured pensioners/non-pensioner) of S3PxA year of birth table rating with CMI\_2021 projection model with a long term trend rate of 1.25% p.a. and a smooother parameter of 7.0 and initial parameter of 0% and a w parameter of 10%.

#### Sensitivity analysis on the defined benefit obligations:

At the reporting date, reasonable possible changes to one of the relevant actuarial assumptions, with the other assumptions held constant, would have affected the defined benefit obligation (DBO) by the amounts shown below:

	Increase in DBO £'000
Discount rate: -0.10%	981
Inflation: -0.10%	(483)
Mortality: w2021=0%	1,080

The change to the inflation sensitivity allow for changes to pension increases in deferment and in payment. Although the analysis does not take account of the full distribution of cash flows expected, it does provide an approximation of the sensitivity of the assumptions shown.

#### 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 scheme valuation presented above in these accounts does not reflect the £20.7m investment in the Partnership held by the Scheme, which represents the valuation carried out on 6 April 2015.

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 £1,462,000 (2022: £1,348,000).



## Notes to the Financial Statements for the year ended 1 April 2023

### 20 Share capital

	Group and Company	
	2023	2022
	£'000	£'000
Equity:		
Ordinary shares of £1 each	1,256	1,256
Non-equity:		
3½% Net cumulative preference shares of £1 each	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 repayment of capital and arrears of dividend in a winding up. No right to receive notice of or vote at any General Meeting unless the preferential dividend is six months in arrears.

### 21 Reserves

#### Profit and loss account

The profit and loss account represents cumulative profits and losses net of dividends and other adjustments.

### 22 Operating lease commitments

At 1 April 2023 total minimum lease payments under non-cancellable operating leases are as follows:

Group	2023 £'000	2023 £'000	2022 £'000	2022 £'000
	Land and Buildings	Other Items	Land and Buildings	Other Items
Not later than one year	5,199	392	5,042	122
Later than one and not later than five years	20,797	799	20,047	101
Later than five years	91,587	-	94,856	-
	117,583	1,191	119,945	223
Company	2023 £'000	2023 £'000	2022 £'000	2022 £'000
	Land and Buildings	Other Items	Land and Buildings	Other Items
Not later than one year	6,930	392	6,631	122
Later than one and not later than five years	27,721	799	26,403	101
Later than five years	109,457	-	112,844	-
	144,108	1,191	145,878	223



## Notes to the Financial Statements for the year ended 1 April 2023

**23 Capital commitments**

The group had contracted commitments at the year end totalling £2,109,000 (2022: £1,840,000).

**24 Ultimate controlling party**

There is no ultimate controlling party.

**25 Related party transactions**

Group and company	2023 £'000	2022 £'000
Dividends paid to directors	49	44
Company	2023 £'000	2022 £'000
Transactions with entities over which the company has joint control:		
Rental income received	-	69
Amount due from joint venture at year end	69	69

**26 Financial instruments**

The carrying amounts of the company's financial instruments are as follows:

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Carrying amount of financial assets				
Equity instruments measured at amortised cost	(69)	(69)	5,083	5,083
Debt instruments measured at amortised cost	2,308	1,223	2,308	1,223
	2,239	1,154	7,391	6,306
Carrying amount of financial liabilities				
Measured at amortised cost	103,825	99,191	103,825	99,191

Equity instruments measured at amortised cost relate to fixed asset investments (note 12). Debt instruments measured at amortised cost comprise elements of debtors (note 14). Financial liabilities comprise creditors (notes 15 and 16).



## Notes to the Financial Statements for the year ended 1 April 2023

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### Financial instruments *(continued)*

The income, expenses, net gains and net losses attributable to the company's financial instruments are summarised as follows:

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
<b>Income/(expenses)</b>				
Financial assets measured at amortised cost	-	-	259	250
Financial liabilities measured at amortised cost	(4,073)	(4,031)	(4,332)	(4,230)
	(4,073)	(4,031)	(4,073)	(3,980)
<b>Net gains/(losses), including changes in fair value</b>				
Financial assets measured at amortised cost	-	3	-	-

Income and expenses arising from financial assets and liabilities comprise the return on fixed asset investments and interest payable on borrowings. The total interest expense for financial liabilities that are not measured at fair value through profit or loss was £4.1m (2022: £4.0m).