

**Registered Number: 1529002**

**The Big Food Group Limited**  
**Report and Accounts**  
**53 weeks ended 30 March 2012**

**SATURDAY**



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## **Directors' Report**

The directors present their report and audited accounts for the 53 week period ending 30 March 2012

### **Principal activities and review of business**

The company's principal activity is that of a holding company

### **Results and dividends**

The company made a profit in the period of £2.5m (2011 loss £0.2m)

The directors do not recommend the payment of a dividend (2011 £nil)

### **Directors and their interests**

The directors who held office during the period were as follows

Charles Wilson  
Jonathan Prentis

None of the directors serving at the period end had any interest in the shares of the company

### **Disclosure of information to auditor**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information

### **Auditor**

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office

By order of the Board



**Mark Chilton**  
**Company Secretary**

Date 2 September 2012

### **Registered Office**

Equity House, Irthlingborough Road, Wellingborough, Northants, NN8 1LT  
Company number 1529002

## **Statement of Directors' Responsibilities in respect of the Directors' Report and the financial statements**

The directors are responsible for preparing the 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

**Independent auditor's report to the members of The Big Food Group Limited**

We have audited the financial statements of The Big Food Group Limited for the 53 weeks ended 30 March 2012 set out on pages 5 to 15. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 March 2012 and of its profit for the 53 weeks then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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.

*Nicola Quayle*

**Nicola Quayle (Senior Statutory Auditor)**  
for and on behalf of KPMG Audit Plc, Statutory Auditor  
Chartered Accountants  
St James' Square, Manchester, M2 6DS

Date *3 September 2012*

**Profit and loss account  
For the 53 weeks ended 30 March 2012**

		<b>53 weeks ended 30 March 2012 £m</b>	<b>52 weeks ended 25 March 2011 £m</b>
	<b>Note</b>		
Administrative expenses		-	-
		-----	-----
<b>Operating profit</b>	<b>2 – 3</b>	<b>-</b>	<b>-</b>
Other finance income	<b>4</b>	<b>6.3</b>	<b>4.0</b>
		-----	-----
<b>Profit on ordinary activities before taxation</b>		<b>6.3</b>	<b>4.0</b>
Tax on profit on ordinary activities	<b>5</b>	<b>(3.8)</b>	<b>(4.2)</b>
		-----	-----
<b>Retained profit/(loss) for the period</b>	<b>10</b>	<b>2.5</b>	<b>(0.2)</b>
		=====	=====

All operations in the current and previous period are continuing

There is no material difference between the results as presented above and those presented on a historical cost basis

**Balance sheet**  
**At 30 March 2012**

	Note	30 March 2012 £m	25 March 2011 £m
<b>Fixed assets</b>			
Investments	6	-	-
<b>Current assets</b>			
Debtors due within one year	7	287.2	287.2
		<u>287.2</u>	<u>287.2</u>
Creditors due within one year	8	(74.6)	(66.2)
<b>Net current assets</b>		<u>212.6</u>	<u>221.0</u>
<b>Net assets excluding net pension liability</b>		<u>212.6</u>	<u>221.0</u>
Net pension liability	11	(14.4)	(5.8)
<b>Net assets</b>		<u><u>198.2</u></u>	<u><u>215.2</u></u>
<b>Capital and reserves</b>			
Called-up share capital	9	35.0	35.0
Merger reserve	10	330.4	330.4
Profit and loss account	10	(167.2)	(150.2)
<b>Shareholders' funds</b>		<u><u>198.2</u></u>	<u><u>215.2</u></u>

These financial statements were approved by the Board and signed on its behalf by



**Jonathan Prentis**  
**Director**

Date 2 September 2012

**The Big Food Group Limited**  
**Company number 1529002**

**Statement of total recognised gains and losses**  
**For the 53 weeks ended 30 March 2012**

	<b>53 weeks ended 30 March 2012 £m</b>	<b>52 weeks ended 25 March 2011 £m</b>
Actuarial loss on pension scheme	<b>(25.7)</b>	(1 2)
Deferred tax on actuarial loss	<b>6 2</b>	0 3
Other recognised losses for the period (net)	<b>(19.5)</b>	(0 9)
Retained profit/(loss) for the period	<b>2.5</b>	(0 2)
Total recognised losses for the period	<b>(17.0)</b>	(1 1)

**Reconciliation of movement in shareholders' funds**  
**For the 53 weeks ended 30 March 2012**

	<b>53 weeks ended 30 March 2012 £m</b>	<b>52 weeks ended 25 March 2011 £m</b>
Retained profit/(loss) for the period	<b>2 5</b>	(0 2)
Other recognised losses for the period (net)	<b>(19 5)</b>	(0 9)
Net decrease in shareholders' funds	<b>(17 0)</b>	(1 1)
Shareholders' funds at the start of the period	<b>215.2</b>	216 3
Shareholders' funds at the end of the period	<b>198 2</b>	215 2



**Notes to the accounts****1 Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

**Basis of preparation**

The accounts have been prepared on the going concern basis, under the historical cost convention and in accordance with applicable Accounting Standards

The company is a wholly owned subsidiary undertaking of Booker Group plc, which is registered in England and Wales. It is therefore exempt by virtue of s 400 of the Companies Act 2006 from the obligation to prepare and deliver group accounts. Accordingly, these reports and accounts present information about the company as an individual undertaking and not about its group.

**Statement of cash flows**

Under FRS 1, the Company is exempt from including a statement of cash flows in its accounts, as it is a wholly owned subsidiary of Booker Group plc, which is a company incorporated in the United Kingdom and has included a consolidated statement of cash flows in its consolidated accounts.

**Investments**

Investments are stated at cost less any provision for impairment in value. The carrying values of investments are reviewed for impairment if events or changes in circumstances indicate the carrying values may not be recoverable.

**Taxation**

The charge for taxation is based on the profit or loss for the period and takes into account taxation deferred because of timing differences of the treatment of certain items for taxation and accounting purposes.

**Deferred tax**

In accordance with FRS19 deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, with the following exceptions:

- deferred tax assets are only recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted
- provision is made for gains on disposal of fixed assets that have been rolled over into replacement assets only where, at the balance sheet date, there is a commitment to dispose of the replacement assets

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**Financial Guarantees**

The company has not adopted amendments to FRS 26 in relation to financial guarantee contracts.

Where the company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company considers these to be insurance arrangements, and accounts for them as such. In this respect, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

## Notes to the accounts

### 1. Accounting policies (continued)

#### Pension

The Company has a defined benefit scheme, to which it made contributions to fund the retirement benefits of members during the period. The scheme is included in these accounts as it was previously a holding company of a larger group of companies which had separate schemes for their members. Over the years these individual schemes were merged into the one scheme.

The assets of the scheme are held separately from those of the Company.

The assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on high quality corporate bond of equivalent term and currency to the liability. The pension scheme surplus (to the extent it is recoverable) or deficit is recognised in full. The movement in the scheme surplus/deficit is analysed between operating charges, finance items and in the statement of recognised gains and losses, actuarial gains and losses.

### 2 Operating profit

Auditor's remuneration of £500 (2011 £500) was borne by another group undertaking without recharge.

### 3. Employee costs and directors' remuneration

#### (a) Employee information

The company had no employees throughout this or the previous period.

#### (b) Directors' emoluments

No remuneration or fees were paid by the company to any of its directors during this or the previous period in respect of services to the company.

4 Other finance income	2012 £m	2011 £m
Expected return on pension scheme assets	36.1	35.5
Interest on pension scheme liabilities	(29.8)	(31.5)
	<u>6.3</u>	<u>4.0</u>

## Notes to the accounts

<b>5</b>	<b>Tax on profit on ordinary activities</b>	<b>2012</b>	<b>2011</b>
		<b>£m</b>	<b>£m</b>
	<b>Current tax</b>		
	UK corporation tax	-	-
	<b>Deferred Tax</b>		
	Movement in FRS 17 deferred tax asset	3.8	4.2
	Tax charge for the period	3.8	4.2
		=====	=====
	<b>Reconciliation of the current taxation charge</b>		
	The tax assessed for the period differs to the standard rate of tax of 26% (2011: 28%) in the UK. The differences are explained below:		
	<b>Profit on ordinary activities before tax</b>	2.5	4.0
		-----	-----
	Tax on profit at 26% (2011: 28%)	0.7	1.1
	FRS 17 pension adjustments	(0.7)	(1.1)
	Group transfer pricing adjustment	2.2	3.1
	Short term timing differences	(2.2)	(3.1)
		-----	-----
	Current tax charge for the period	-	-
		=====	=====
	<b>Deferred tax asset</b>	<b>2012</b>	<b>2011</b>
		<b>£m</b>	<b>£m</b>
	At start of period	2.2	6.1
	Charge to profit and loss account	(3.8)	(4.2)
	Credit to reserves	6.2	0.3
	<b>At end of period</b>	<b>4.6</b>	<b>2.2</b>
		=====	=====

The deferred tax asset relates to the defined benefit scheme and is offset against the pension scheme deficit in the balance sheet.

The corporation tax applicable to the company was 26% in the current period. On 21 March 2012 the Chancellor announced that the main rate of UK corporation tax will reduce from 26% to 24% with effect from 1 April 2012. This change became substantively enacted on 26 March 2012 and therefore the effect of the rate reduction on the deferred tax balances has been included in the figures above.

The Chancellor has also proposed changes to further reduce the main rate of UK corporation tax by 1% per annum to 22% by 1 April 2014. These reductions have not been substantively enacted, so the changes are not reflected in the above figures. As the subsequent change in rate of corporation tax to 22% was not enacted as at 30 March 2012, deferred tax has not been accounted for at this new rate and the impact of the change is not expected to be material.

## Notes to the accounts

6	Investments	Subsidiary undertakings £m
	<b>Cost</b>	
	At start and end of period	90 0 =====
	<b>Provision</b>	
	At start and end of period	90 0 =====
	<b>Net book value</b>	
	At start and end of period	- =====

The Company's principal subsidiary undertakings at 30 March 2012, which are wholly owned and registered in the United Kingdom, are as follows

	Principal activities
B F Limited *	Finance/holding company
Giant Booker Limited	Finance/holding company

\* Direct subsidiary of The Big Food Group Limited

Full details of all group subsidiary undertakings are included in the Company's annual return filed with Companies House

7	Debtors due within one year	2012 £m	2011 £m
	Amounts owed by subsidiary undertakings	287.2 =====	287 2 =====

Amounts due from group undertakings are all unsecured and are interest free

8.	Creditors due within one year	2012 £m	2011 £m
	Amounts owed to subsidiary undertakings	74.5	66 1
	Accruals and deferred income	0.1	0 1
		74.6 =====	66 2 =====

Amounts owed to group undertakings are unsecured, interest free and repayable on demand

9.	Share capital	2012 £m	2011 £m
	<b>Authorised</b>		
	500,000,000 ordinary shares of 10p each	50.0 =====	50 0 =====
	<b>Allotted, called up and fully paid</b>		
	350,385,320 ordinary shares of 10p each	35.0 =====	35 0 =====

## Notes to the accounts

10	Reserves	Merger reserve £m	Profit and loss account £m
	At start of period	330.4	(150.2)
	Retained profit for the period	-	2.5
	Other recognised losses for the period (net)	-	(19.5)
	<b>At end of period</b>	<b>330.4</b>	<b>(167.2)</b>
		<b>2012</b>	<b>2011</b>
		<b>£m</b>	<b>£m</b>
	Profit and loss reserves excluding pension liability	(152.8)	(144.4)
	Pension liability	(14.4)	(5.8)
	Profit and loss reserves including pension liability	(167.2)	(150.2)

## 11 Pension schemes

The Booker Pension Scheme ('the Scheme') is a funded pension arrangement based on final salary and was closed to new entrants in October 2001 with benefits ceasing to accrue from July 2002. However, active members' benefits retain a link to their final salaries. The assets of the scheme are held separately from those of the Group and are invested by independent fund managers appointed by the Trustees.

The benefit obligations as at 30 March 2012 have been calculated by an independent actuary on an IAS 19 basis using membership data obtained from the 31 March 2010 triennial actuarial valuation which has then been updated to 30 March 2012.

## (a) Major assumptions used by the actuary

	2012	2011
Discount rate	4.80%	5.50%
Rate of increase in salaries	4.10%	4.65%
Pension increases	3.05%	3.40%
RPI inflation	3.10%	3.40%
CPI inflation	2.10%	2.70%
Expected rate of return on Scheme assets		
Equities	8.00%	8.00%
Bonds	4.50%	5.50%
Property	8.00%	8.00%
Cash	0.50%	0.50%

On 8 July 2010, the Government announced its intention to change the measure of price inflation for private sector schemes from the Retail Prices Index (RPI) to the Consumer Prices Index (CPI). In light of this, the statutory revaluation orders published in January 2011 were based on CPI for the first time and the statutory minimum requirement for pension increases in payment has been linked to CPI rather than RPI. The Scheme's Trust Deed and Rules are drafted in a way such that only the benefits of a small historical section of the Scheme are impacted by this change. The revaluations in deferment and pension increases in payment for most of the Scheme's membership will continue to be linked to RPI. This resulted in a credit of £3.7m recognised in other comprehensive income within actuarial losses during the prior period.

## Notes to the accounts

## 11. Pension schemes (continued)

The average life expectancy in years of a member is as follows

		2012	2011
Aged 65 retiring immediately (current pensioner)	Male	20.7	20.7
	Female	22.9	22.9
Aged 40 retiring at 65 (future pensioner)	Male	22.4	22.4
	Female	24.2	24.2

## (b) The amounts recognised in the balance sheet

	2012		2011	
	£m	%	£m	%
Equities	275.8	50%	278.6	51%
Bonds	236.5	42%	221.8	41%
Property	41.3	8%	39.3	7%
Cash	2.1	-	2.1	1%
	-----		-----	
Fair value of Scheme assets	555.7	100%	541.8	100%
Present value of Scheme liabilities	(574.7)	=====	(549.8)	=====
	-----		-----	
Deficit in the Scheme	(19.0)		(8.0)	
Related deferred tax asset	4.6		2.2	
	-----		-----	
	(14.4)		(5.8)	
	=====		=====	

## (c) Movement in the scheme assets

	2012	2011
	£m	£m
At start of period	541.8	563.5
Employer contributions	8.4	11.0
Expected return on pension scheme assets	36.1	35.5
Actuarial gains	0.8	1.4
Benefits paid	(31.4)	(69.6)
	-----	-----
At end of the period	555.7	541.8
	=====	=====

The expected rate of return on assets is a weighted average based on actual assets held by the Scheme and the respective returns expected on the separate asset classes and then deducting the expected administration costs borne by the Group and an amount in respect of the PPF levy

The expected rate of return on equities is set with reference to the expected long term return taking into account the expected out performance of equities over bonds. The expected return on property is set with the expectation of a similar return to an equity investment. The expected return on bonds is measured directly from actual market yields from corporate bonds at the balance sheet date reflecting the mandates held by the investment managers

## Notes to the accounts

## 11 Pension schemes (continued)

## (d) Movement in the present value of the scheme liabilities

	2012 £m	2011 £m
At start of period	(549.8)	(585.3)
Interest on pension scheme liabilities	(29.8)	(31.5)
Experience gains	-	8.5
Actuarial losses	(26.5)	(11.1)
Benefits paid	31.4	69.6
	<u>-----</u>	<u>-----</u>
At end of the period	<u>=====</u> (574.7)	<u>=====</u> (549.8)

## (e) Movement in the scheme deficit

	2012 £m	2011 £m
At start of period	(8.0)	(21.8)
Employer contributions	8.4	11.0
Credit recognised in the profit and loss account	6.3	4.0
Actuarial loss recognised in equity	(25.7)	(1.2)
	<u>-----</u>	<u>-----</u>
At end of the period	<u>=====</u> (19.0)	<u>=====</u> (8.0)

## (f) Amounts recognised in the profit and loss account

	2012 £m	2011 £m
Expected return on pension scheme assets	36.1	35.5
Interest on pension scheme liabilities	(29.8)	(31.5)
	<u>-----</u>	<u>-----</u>
Credited to finance income	<u>=====</u> 6.3	<u>=====</u> 4.0

## (g) Amounts to be recorded in the statement of total recognised gains and losses

	2012 £m	2011 £m
Difference between actual and expected return on assets	0.8	1.4
Experience gains on liabilities	-	8.5
Change in actuarial assumptions	(26.5)	(11.1)
	<u>-----</u>	<u>-----</u>
Actuarial loss	<u>=====</u> (25.7)	<u>=====</u> (1.2)

## Notes to the accounts

## 11 Pension schemes (continued)

## (h) Historical information

	2012 £m	2011 £m	2010 £m	2009 £m	2008 £m
Market value of scheme assets	555.7	541.8	563.5	437.8	516.8
Actuarial value of liability	(574.7)	(549.8)	(585.3)	(439.8)	(507.0)
(Deficit)/surplus in the scheme	(19.0)	(8.0)	(21.8)	(2.0)	9.8
Difference between actual and expected return on assets	0.8	1.4	116.3	(93.9)	(47.2)
Percentage of scheme assets (%)	0.1%	0.3%	20.6%	21.4%	9.1%
Experience gains/(losses) on scheme liabilities	-	8.5	(1.0)	-	11.7
Percentage of scheme liabilities (%)	-	1.6%	0.2%	-	2.3%

## (i) Contributions to be paid

The Trustees of the Scheme and Company have agreed a schedule of contributions for the next 4.5 years (up to October 2016) of £9.6m per annum. The Group has also agreed to meet the cost of certain expenses of the scheme estimated to be around £1.2m per annum.

## 12. Related party transactions

The Company is a wholly owned subsidiary of Booker Group plc. In accordance with paragraph 3(c) of FRS 8 'Related Party Transactions' the company is exempt from disclosing details of arrangements with subsidiaries of Booker Group plc.

## 13 Ultimate parent undertaking

At 30 March 2012, the immediate parent undertaking was Giant Bidco Limited, a company incorporated in England and Wales.

The ultimate parent undertaking was Booker Group plc, a company registered in England and Wales. Booker Group plc was the parent undertaking of the only group, of which the company was a member, to consolidate these accounts. Copies of the Group accounts are available from Equity House, Irthlingborough Road, Wellingborough, Northants, NN8 1LT.