

Registered Number: 1529002

The Big Food Group Limited

Report and Accounts

For the 52 weeks ended

25 March 2016

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Strategic Report

The directors present their Strategic Report for the 52 weeks ended 25 March 2016.

Principal activities

The principal activity of the company is that of an intermediate holding company and principal employer to the Group's defined benefit pension scheme.

Results and dividends

The company made a loss in the period of £0.6m (2015: profit of £1.9m).

The directors do not recommend the payment of a dividend (2015: £nil).

Review of business

It is the intention of the directors that the company will continue to act as the principal employer to the Group's defined benefit pension scheme for the foreseeable future.

Risks and uncertainties

Significant judgements are required in relation to the assumptions for future salary and pension increases, inflation, investment returns and mortality that underpin their valuations. Small changes in assumptions and estimates used to value the pension would have a significant effect on the valuation. Details of sensitivities are disclosed in note 11.

In addition, changes in the regulatory environment and funding requirement principles may also lead to changes to pension funding in future years.

Signed on behalf of the Board:



Jonathan Prentis
Director

Date: 13 September 2016

Directors' Report

The directors present their Directors' Report for the 52 weeks ended 25 March 2016.

Directors

The directors who held office during the period were as follows:

Charles Wilson (resigned 12 October 2015)
Jonathan Prentis

The ultimate parent company, Booker Group plc, maintains insurance for directors of the group, indemnifying them against certain liabilities incurred by them when acting on behalf of the group.

Political contributions

The company made no political donations during the period (2015: £nil).

Going concern

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the reasons set out in note 1.

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 re-appointed and KPMG LLP will therefore continue in office.

By order of the Board



Mark Chilton
Company Secretary
Date: 13 September 2016
Company number: **1529002**

Registered Office
Equity House, Irthlingborough Road
Wellingborough
Northants, NN8 1LT

Statement of directors' responsibilities in respect of the annual report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS101 'Reduced Disclosure Framework'.

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 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; 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 52 weeks ended 25 March 2016 set out on pages 6 to 17. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS101 'Reduced Disclosure Framework'.

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 25 March 2016 and of its loss for the 52 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.

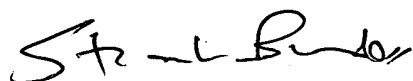
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and 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.



Stuart Burdass (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square, Manchester, M2 3AE

Date: 17/9/16

**Profit and Loss Account and Other Comprehensive Income
For the 52 weeks ended 25 March 2016**

	Note	52 weeks ended 25 March 2016 £m	52 weeks ended 27 March 2015 £m
Management fees		-	3.6
Administration costs		-	(1.2)
Operating profit	2 – 3	-	2.4
Interest	4	(0.7)	-
(Loss)/profit on ordinary activities before taxation		(0.7)	2.4
Tax on (loss)/profit on ordinary activities	5	0.1	(0.5)
(Loss)/profit for the period		(0.6)	1.9
Other comprehensive income			
Remeasurements of the pension scheme		(24.8)	(18.5)
Tax on pension scheme remeasurements		4.1	3.7
Other comprehensive expenses for the period, net of tax		(20.7)	(14.8)
Total comprehensive expenses for the period		(21.3)	(12.9)

All operations in the current and previous period relate to continuing activities.

The notes on pages 9 to 17 form part of these financial statements.

Balance Sheet
At 25 March 2016

	Note	25 March 2016 £m	27 March 2015 £m
Fixed assets			
Investments	6	-	-
Current assets			
Debtors due within one year	7	287.2	287.2
Deferred tax asset	8	8.1	3.9
		<u>295.3</u>	<u>291.1</u>
Creditors due within one year	9	<u>(85.4)</u>	<u>(85.4)</u>
Net current assets		209.9	205.7
Net pension liability	11	(45.2)	(19.7)
Net assets		<u>164.7</u>	<u>186.0</u>
Capital and reserves			
Called-up share capital	10	35.0	35.0
Merger reserve		330.4	330.4
Profit and loss account		<u>(200.7)</u>	<u>(179.4)</u>
Shareholders' funds		<u>164.7</u>	<u>186.0</u>

The notes on pages 9 to 17 form part of these financial statements.

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



Jonathan Prentis
Director

Date: 13 September 2016

Company number 1529002

Statement of Changes in Equity

For the 52 weeks ended 25 March 2016

	Share capital £m	Merger reserve £m	Profit and loss account £m	Total equity £m
At 28 March 2015	35.0	330.4	(179.4)	186.0
Loss for the period	-	-	(0.6)	(0.6)
Remeasurements of the pension scheme	-	-	(24.8)	(24.8)
Tax on pension scheme remeasurements	-	-	4.1	4.1
At 25 March 2016	35.0	330.4	(200.7)	164.7

For the 52 weeks ended 27 March 2015

	Share capital £m	Merger reserve £m	Profit and loss account £m	Total equity £m
At 29 March 2014	35.0	330.4	(166.5)	198.9
Profit for the period	-	-	1.9	1.9
Remeasurements of the pension scheme	-	-	(18.5)	(18.5)
Tax on pension scheme remeasurements	-	-	3.7	3.7
At 27 March 2015	35.0	330.4	(179.4)	186.0

The notes on pages 9 to 17 form part of these financial statements.

Notes to the Accounts

1. Accounting policies

Overview

The Big Food Group Limited (the "Company") is a company incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS101"). The amendments to FRS101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied. In these financial statements the Company has adopted FRS101 for the first time. In transition to FRS101 there has been no effect on the reported financial position, financial performance and cash flows.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ('Adopted IFRSs'), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements the Company has adopted FRS101 for the first time. In transitioning to FRS101 the Company has applied IFRS1 whilst ensuring that its assets and liabilities are measured in compliance with FRS101. An explanation of how the transition to FRS101 has affected the reported financial position and financial performance of the Company is set out in note 13.

Basis of preparation

The Company's ultimate parent undertaking, Booker Group plc, includes the Company in its consolidated financial statements. The consolidated financial statements of Booker Group plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from the website www.bookergroup.com.

In these financial statements, the company has applied the exemptions available under FRS101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- disclosures in respect of capital management;
- comparative period reconciliations for share capital;
- disclosures in respect of transactions with wholly owned subsidiaries;
- the effects of new but not yet effective IFRSs; and
- disclosure in respect of the compensation of key management personnel.

As the consolidated financial statements of Booker Group plc include the equivalent disclosures, the Company has also taken the exemptions under FRS101 available in respect of the disclosures required by IFRS7 and IFRS13 regarding financial instrument disclosures which have not been provided apart from those which are relevant for the financial instruments which are held at fair value and are not either held as part of trading portfolio or derivatives.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 balance sheet as at 29 March 2014 for the purpose of the transition to FRS101.

Going concern

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons. The company is dependent for its working capital on funds provided to it by the company's ultimate parent Booker Group plc and the financing facilities that it has in place. Booker Group plc has indicated that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company. The directors consider that this should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment.

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.

Notes to the Accounts

1. Accounting policies (continued)

Taxation

Tax expense included in the Profit and Loss Account comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods. Tax is recognised in the income statement except to the extent it relates to items recognised directly in equity, in which case it is recognised in equity, or to the extent it relates to items recognised in other comprehensive income, in which case it is recognised in other comprehensive income.

Deferred tax is provided using the Balance Sheet liability method, providing for temporary differences between the carrying amounts of assets (excluding goodwill) and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. 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 deferred tax is also dealt with in equity. Deferred tax assets are only recognised to the extent that, following an assessment of the quantum and timing of future taxable profits, it is probable that future taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and the amount which is recognised is increased or reduced to the extent that it is then probable or no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are offset against each other when they relate to income taxes levied by the same tax jurisdiction and when the Group intends to settle its current tax assets and liabilities on a net basis.

Pension

The company is the sponsoring employer of a group wide defined benefit pension plan. As there is no contractual agreement or stated group policy for charging the net defined benefit obligation of the plan to participating entities, the net defined benefit obligation of the pension plan is recognised fully by the sponsoring employer, which is the company.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) are deducted. The Company determines the net interest on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability.

The discount rate is the yield at the reporting date on bonds that have a credit rating of at least AA that have maturity dates approximating the terms of the Company's obligations and that are denominated in the currency in which the benefits are expected to be paid.

Remeasurements arising from defined benefit plans comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Company recognises them immediately in other comprehensive income and all other expenses related to defined benefit plans in employee benefit expenses in profit or loss.

The calculation of the defined benefit obligations is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the present value of benefits available in the form of any future refunds from the plan or reductions in future contributions and takes into account the adverse effect of any minimum funding requirements.

Notes to the Accounts

2. Operating profit

Auditor's remuneration of £500 (2015: £500) was borne by another group undertaking without recharge.

3. Employee costs and directors' emoluments

(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.

4. Interest	2016 £m	2015 £m
Expected return on pension scheme assets (note 11)	21.3	26.3
Interest on pension scheme liabilities (note 11)	(22.0)	26.3
	-----	-----
	(0.7)	-
	=====	=====

5. Tax on profit on ordinary activities	2016 £m	2015 £m
Current tax		
UK corporation tax	-	-
Deferred Tax		
Movement in pension scheme deferred tax asset	0.1	(0.5)
	-----	-----
Tax credit/(charge) for the period	0.1	(0.5)
	=====	=====

Reconciliation of the tax credit/(charge)

The tax assessed for the period differs to the standard rate of tax of 20% (2015: 21%) in the UK. The differences are explained below:

(Loss)/profit on ordinary activities before tax	(0.7)	2.4
	-----	-----
Tax on (loss)/profit at 20% (2015: 21%)	0.1	(0.5)
Group transfer pricing adjustment	0.3	0.4
Group relief surrendered for nil consideration	(0.3)	(0.4)
	-----	-----
Tax credit/(charge) for the period	0.1	(0.5)
	=====	=====

Factors that may affect future current and total tax charge:

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016. This, if enacted, will reduce the company's future current tax charge accordingly.

Notes to the Accounts

6. Investments

Subsidiary undertakings
£m

Cost

At start and end of period

90.0

=====

Provision

At start and end of period

90.0

=====

Net book value

At start and end of period

-

=====

The Company's subsidiary undertakings at 25 March 2016 and 27 March 2015, which are wholly owned, are as follows:

Name of company	Principal activity	Incorporation
BF Ltd *	Holding company	UK
Giant Booker Ltd	Holding company	UK
IRTH (15) Ltd	Finance company	UK
J Smylie & Sons Ltd	Property company	Isle of Man
Booker Cash & Carry Ltd	Dormant	UK
IRTH (19) Ltd	Finance company	UK

* Direct subsidiary of The Big Food Group Limited

7. Debtors due within one year

2016
£m2015
£m

Amounts owed by subsidiary undertakings

287.2
=====287.2
=====

Amounts due from group undertakings are all unsecured, interest free and repayable on demand.

8. Deferred tax asset

2016
£m2015
£m

At start of period

3.9

0.7

Credit/(charge) to income statement

0.1

(0.5)

Credit to equity

4.1

3.7

At end of period

8.1

3.9

=====

=====

The deferred tax asset relates to the defined benefit scheme and should not be considered as being recoverable within one year.

Notes to the Accounts

9. Creditors due within one year	2016 £m	2015 £m
Amounts owed to subsidiary undertakings	85.3	85.3
Accruals and deferred income	0.1	0.1
	85.4	85.4
	=====	=====

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

10. Share capital	2016 £m	2015 £m
Called up and fully paid		
350,385,320 ordinary shares of 10p each	35.0	35.0
	=====	=====

11. Post-employment benefits

The Booker Pension Scheme ('the Scheme') is a funded pension arrangement based on final salary and was closed to new entrants in 2001 with benefits ceasing to accrue from 2002. However, active members' benefits retain a link to their final salaries. The assets of the scheme are held separately from those of the company and are invested by independent fund managers appointed by the Trustees. The information disclosed below is in respect of the whole of the plan for which the company is the sponsoring employer.

The benefit obligations as at 25 March 2016 have been calculated by an independent actuary on FRS101 basis using the results of the 31 March 2013 triennial actuarial valuation which has then been updated to 25 March 2016.

(a) Major assumptions used by the actuary

	2016	2015
Discount rate	3.50%	3.40%
RPI inflation	3.00%	2.95%
CPI inflation	2.00%	1.95%
Rate of increase in salaries	2.00%	1.95%
Pension increases in payment	2.95%	2.90%

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

		2016	2015
Aged 65 retiring immediately (current pensioner)	Male	21.6	21.5
	Female	23.9	23.7
Aged 40 retiring at 65 (future pensioner)	Male	23.4	22.7
	Female	25.8	25.1

The average duration of the defined benefit obligation is 16 years.

Notes to the Accounts

11. Post-employment benefits (continued)

(b) The amounts recognised in the balance sheet

	2016 £m	2015 £m
Equities	99.8	110.4
Diversified growth funds	143.7	151.3
Bonds	303.1	328.5
Property	44.6	51.5
Cash	3.8	7.8
	-----	-----
Fair value of Scheme assets	595.0	649.5
Present value of Scheme liabilities	(640.2)	(669.2)
	-----	-----
Net liability	(45.2)	(19.7)
	=====	=====

The bid value of the assets was provided by each of the various fund managers in which the scheme is invested. All scheme assets have quoted prices in active markets.

The scheme does not hold any of the company's financial instruments or property as plan assets.

(c) Movement in the fair value of the scheme assets

	2016 £m	2015 £m
At start of period	649.5	611.0
Employer contributions	-	2.4
Interest income (note 4)	21.3	26.3
Return on assets (less amount included in interest income)	(36.7)	49.8
Benefits paid	(39.1)	(40.0)
	-----	-----
At end of the period	595.0	649.5
	=====	=====

(d) Movement in the present value of the defined benefit obligation

	2016 £m	2015 £m
At start of period	(669.2)	(614.6)
Interest cost (note 4)	(22.0)	(26.3)
Remeasurement gains/(losses):		
From changes in financial assumptions	3.7	(72.9)
From changes in demographic assumptions	(0.9)	-
From experience adjustments	9.1	4.6
Benefits paid	39.1	40.0
	-----	-----
At end of the period	(640.2)	(669.2)
	=====	=====

Notes to the Accounts

11. Post-employment benefits (continued)

(e) Movement in the net defined benefit liability

	2016 £m	2015 £m
At start of period	(19.7)	(3.6)
Employer contributions	-	2.4
Net charge recognised in the profit and loss account	(0.7)	-
Total remeasurements included in statement of other comprehensive income	(24.8)	(18.5)
At end of the period	<u>(45.2)</u>	<u>(19.7)</u>

(f) Amounts recognised in the profit and loss account

	2016 £m	2015 £m
Expected return on pension scheme assets	21.3	26.3
Interest on pension scheme liabilities	(22.0)	(26.3)
Net interest expense on defined benefit obligation	<u>(0.7)</u>	<u>-</u>

(g) Sensitivities

Significant actuarial assumptions for the determination of the defined benefit obligation are the discount rate, RPI inflation, salary increases, pension increases, and life expectancy. The sensitivity analysis below shows the impact on the defined benefit obligation at the end of the reporting period of reasonably possible changes in these assumptions, which have been determined in isolation whilst holding all other assumptions constant:

Discount rate	+/- 0.1%	Decrease/increase in liabilities by £10m
RPI inflation rate	+/- 0.1%	Increase/decrease in liabilities by £8m
Rate of increases in salaries	+/- 0.1%	Increase/decrease in liabilities by £0.3m
Pension increases in payment	+/- 0.1%	Increase/decrease in liabilities by £5m
Life expectancy for current and future pensioners	+/- 1 year	Increase/decrease in liabilities by £22m

Changes in RPI inflation impact CPI inflation and pension increases both before retirement and in payment.

(h) Contributions to be paid

The Trustees completed their 31 March 2013 triennial valuation of the Scheme, at which time they assessed the funding position to be a shortfall of approximately £24m. This shortfall was expected to be recovered through Company deficit contributions (£9.6m paid into the Scheme in the year ending 31 March 2014 and £2.4m paid into the Scheme in the year ending 31 March 2015) and the returns achievable on the assets of the Scheme. No further contributions to the Scheme are expected to be made until the funding position is reviewed following the next actuarial valuation of Scheme, which is scheduled for 31 March 2016.

Notes to the Accounts

12. Ultimate parent undertaking

At 25 March 2016, 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 and a copy of the consolidated accounts is available from the website www.bookergroup.com.

13. Explanation of transition to FRS101 from UK GAAP

As stated in note 1, these are Company's first financial statements prepared in accordance with FRS101. The accounting policies set out in note 1 have been applied in preparing the financial statements for the period ended 25 March 2016 and the comparative information presented in these financial statements for the period ended 27 March 2015.

In preparing its FRS101 balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP). An explanation of how the transition from UK GAAP to FRS101 has affected the group's financial position and financial performance is set out in the following tables and the notes that accompany the tables.

a) Reconciliation of Equity

	29 March 2014			27 March 2015		
	UK GAAP £m	Adj £m	FRS101 £m	UK GAAP £m	Adj £m	FRS101 £m
Fixed assets						
Investments	-	-	-	-	-	-
Current assets						
Debtors due within one year	287.2	-	287.2	287.2	-	287.2
Deferred tax	-	0.7	0.7	-	3.9	3.9
	287.7	0.7	287.9	287.2	3.9	291.1
Creditors due within one year	(85.4)	-	(85.4)	(85.4)	-	(85.4)
Net current assets	201.8	0.7	202.5	201.8	3.9	205.7
Net pension liability	(2.9)	(0.7)	(3.6)	(15.8)	(3.9)	(19.7)
Net assets	198.9	-	198.9	186.0	-	186.0
Capital and reserves						
Called-up share capital	35.0	-	35.0	35.0	-	35.0
Merger reserve	330.4	-	330.4	330.4	-	330.4
Profit and loss account	(166.5)	-	(166.5)	(179.4)	-	(179.4)
Shareholders' funds	198.9	-	198.9	186.0	-	186.0

Notes to the Accounts

13. Explanation of transition to FRS101 from UK GAAP (continued)

b) Reconciliation of profit for the period ended 27 March 2015

	UK GAAP £m	Adj £m	FRS101 £m
Management fees	3.6	-	3.6
Administration costs	-	(1.2)	(1.2)
	-----	-----	-----
Operating profit	3.6	(1.2)	2.4
Interest	8.6	(8.6)	-
	-----	-----	-----
Profit before tax	12.2	(9.8)	2.4
Tax on profit on ordinary activities	(2.6)	2.1	(0.5)
	-----	-----	-----
Retained profit for the period	9.6	(7.7)	1.9
	=====	=====	=====

c) Notes on the adjustments

Under UK GAAP, interest income on defined benefit assets was calculated using the long term rate of expected return and after deducting the scheme administration costs. However, under FRS101, it is calculated by applying the discount rate and the scheme administration costs are included in administration costs. These adjustments affect the deferred tax in both the balance sheet and profit and loss account.

Under UK GAAP, the deferred tax in relation to the pension scheme was netted against the related defined benefit obligations in the balance sheet. In accordance with FRS101, the deferred tax asset has been reclassified within 'Current assets'.