Annual Report

for the year ended

28 March 2020

E.H. Booth & Co Ltd

Contents

Company Details

Directors	E J Booth CBE DL (Chairman and Chief Executive Officer) D G Booth N R Murray R A Faith K J Roberts CNZM
Registered Office	Booths Central Office Longridge Road Ribbleton 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.

The transformational plan to restore continued profitable growth is progressing well, despite the backdrop of difficult trading conditions.

Performance for 2019/20 has been mixed throughout the year:-

- Summer trading, with tough comparatives to meet from the prior year due to no year on year major events for the country to celebrate, performed ahead of the market but down against expectations;
- Christmas trading was once again the best on record, up 3.5% over the key three week trading period to the 5th January 2020, with customers once again having confidence in our commitment to deliver excellent service and exceptional food and drink;
- Improving and delivering the operations all year round to deliver multi-faceted trading, especially within the Business to Business channels whereby sales grew by over 70% to £5.8m, with Amazon now contributing an increasing proportion;
- The New Year "Eating Healthily and Well" campaign was a success with sales growth ahead of the market but with a modest increase year on year;
- Overall our "Dear Booths" weekly customer survey results recording the Booths offer of Value, Product Range, Service, Availability and Store Environment, improved by 3% on average to 67%, a market leading score for the industry;
- Living in lockdown (Covid-19) and panic buying by customers created a spike in March 2020 whereby sales for two weeks were the equivalent of a peak Christmas Trading period but needed to be delivered at significantly increased costs due to new measures to keep colleagues and customers safe at the start of the Pandemic.

Overall sales improved by £8.5m (3.3%) to £267.8m. Underlying performance is not comparable year on year due to non-comparable Easter trading periods and the impacts of Covid-19. In adjusting for these in both years, underlying sales were ahead by £0.5m (+0.2%) year on year. The performance against the market continued to improve with revenues since August 2019 being ahead of the market on a like for like basis. Since Lockdown this gap to the market has strengthened indicating a healthy customer belief in the ability of Booths to continue delivering a magical experience through buying, making and selling the best food and drink on offer through these difficult times.

Gross margin has improved by £1.2m in the year, despite continued cost pressure increases around annual national living wage, utility costs and general business rates. To combat these increases, the company has continued to review internal processes to improve operating costs and support sales by investing in front line services. This has resulted in an improvement in trading loss of £1.0m to £0.2m (LY: Loss of £1.2m), and an underlying growth of 5% in Earnings before Interest, Tax and Depreciation ("EBITDA") to £7.3m.

The loss before taxation also improved by £1.3m to £4.1m and is in line with long term expectations of re-establishing sustainable profit growth.

Investment in the core estate continued with significant improvements now completed at our Ulverston and Longton stores. As part of the review of operating cost efficiency, the company also started one of its key system integration projects around work force management. The key goal of this system is to be able to schedule the right people at the right time using the right contracts which will be able to offset the national living wage rate increases the company is currently absorbing. This project is expected to be fully commissioned by the end of 2021. As part of the continued divestment program in non-core assets to reduce net bank debt, the sale of the South Lancaster Land was completed in the year for £5.1m, £4.4m of which was used to reduce Bank Loans.

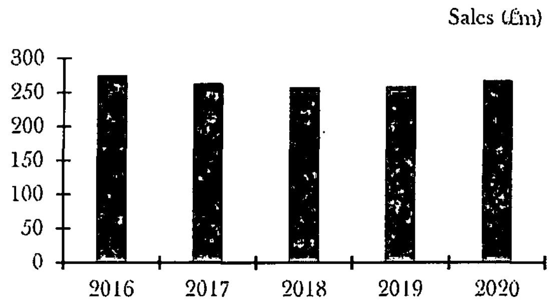
Programs started last year to reduce packaging across all areas continued with the team working on new ways to reduce plastic usage in favour of cardboard, glass and paper where possible. Fuel miles continued to reduce as optimal delivery scheduling began to be implemented and new carbon reduction investments in LED lighting and refrigeration continued to be carried out with an external third party energy consultant now having been appointed for the refurbishment of the remaining facilities.

Strategic Report

Key Financial Indicators

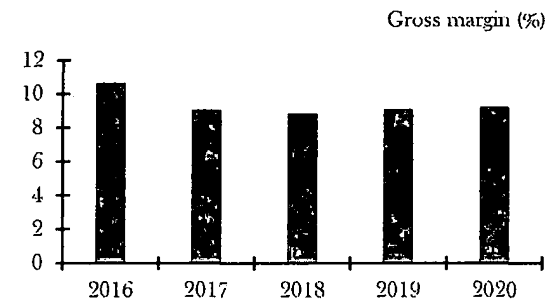
Sales

Sales at £267.8m were up £8.5m or 3.3% compared to prior year. Adjusting for comparable Easter periods in both years and Covid-19 impacts in 2020, underlying sales were up 0.2%.



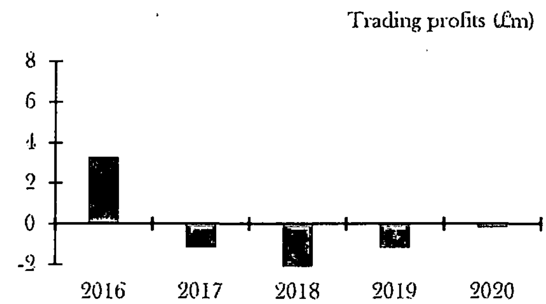
Gross margin

The gross profit margin at 9.2% is 0.1% higher than the prior year's 9.1%.



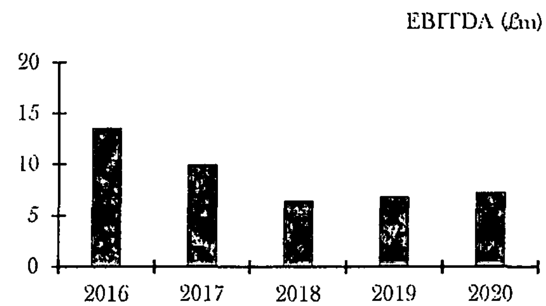
Trading profit/(loss)

A trading loss of £0.2m, an improvement of £1.0m over the previous year of £1.2m, was driven principally by growth and good cost control.



EBITDA

EBITDA (excludes profits/(losses) on disposal of property interests and other assets & exceptional items) has improved by 5.3% or £0.4m to £7.3m.

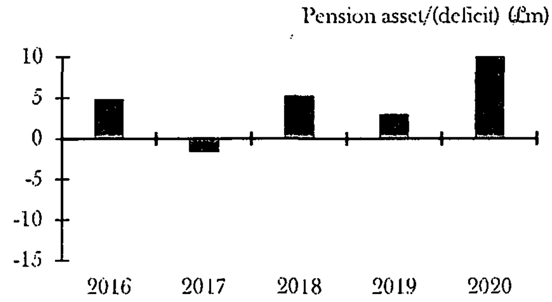


Strategic Report

Key Financial Indicators *(continued)*

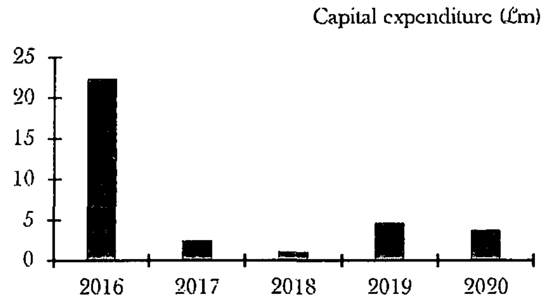
Pension asset/(deficit)

The defined benefit pension scheme asset has increased by £10.8m to £13.8m. Assets have increased by £6.8m to £103.2m and liabilities have decreased by £3.9m to £89.4m over the period, mainly due to a cessation of future salary link to current employees.



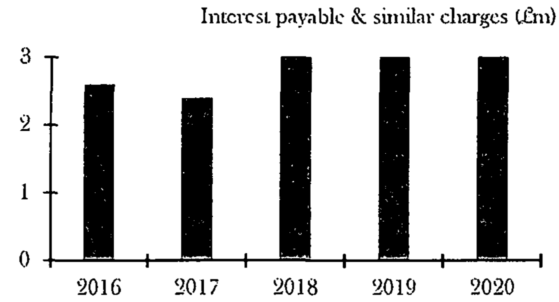
Capital expenditure

Spending on capital items (capex) during the year totalled £3.8m compared to £4.7m in the prior year. Year on year this is in line with last year, after adjusting for the £1.0m Fire Claim for replacement assets at our Brindle Mill site, covered by insurance proceeds. Projects identified but not yet started have been carried forward into next year of £0.9m (2019: £1.1m).



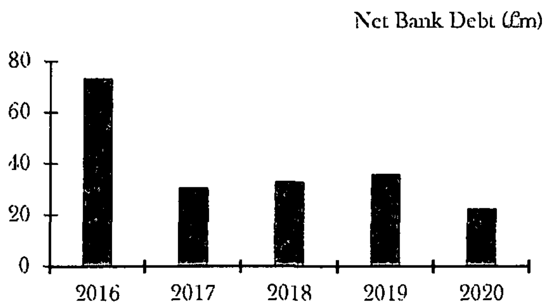
Interest payable

Interest payable and similar charges increased by £0.2m from £3.7m to £3.9m. Cash payable on Bank overdrafts and the Ground Rent Transaction has increased by £0.2m from £2.6m to £2.8m.



Net bank debt

Net bank debt decreased from £36.0m to £22.6m. This drop of £13.4m is down to; £4.8m of net proceeds from the Lancaster land sale, reduced capital expenditure and working capital timings around payroll end of month payments of £3.0m along with the balance being linked to abnormal sell through of stocks / creditor payments linked to Covid-19, all of which is in line with Bank expectations.



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

The group has been on a transformational change program that has engineered ways to be a multi-faceted retailer within an ever changing world. Its heritage has been "The Good Grocer", put simply to be loved by customers for inspiring and nourishing their desire for delicious food and drink. The directors have approved a plan that is linked to restoring sustainable profitable growth by constantly driving cost efficiency in all areas, delighting customers with our warm northern welcome and inspiring customers through innovation. Capital investment has been set to develop all of these facets with the journey already started by investing in store refits, supporting the growth of Business to Business, Click and Collect and new systems investment to be able to reduce our cost base. Future initiatives including LED lighting, refrigeration upgrades, upgrade of core systems, product development and concessions will further enhance the customer offering leading to increased profitability.

(2) The interests of the employees

The Board is committed to the group being a responsible employer and strives to create a working environment where employees are engaged, informed and involved. In light of Covid-19, this has become more important as the group adapts to the new world within which policies and related information have been updated to reflect this as set out in the Director's Report on pages 9 to 11.

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

The directors will continue to balance the needs and wants of all stakeholders. As the transformational change program continues, regular communication with all stakeholders is paramount as the group constantly drives towards a sustainable profit growth model. By allocating capital towards all stakeholders; for example in employee remuneration strategy, supplier payments, supply chain optimisation, the group's closed out defined pension support payments and debt management, the directors believe they are optimising support for all major stakeholders in the business leading to sustainable future value for shareholders.

(4) Impact on the community and the environment

As set out in the Director's Report on pages 9 to 11, 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 protects 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 as such these values 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 recent statutory improvements surrounding Anti Bribery, Modern Slavery and Data Protection (GDPR). 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 difference. 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 shareholders of the group are widely dispersed as a result of the firm having traded for over 170 years. The group has a board of directors with a good blend of family representation, commercial and financial executives; also 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 run on conservative principles and good governance. Risk is an inherent part of doing business and is based on a balance of risk and reward through careful assessment of both the potential likelihood and also impact. Whilst most risks can be managed accordingly both from a financial and reputational point of view, two risks that have created volatility more recently need to be considered.

BREXIT

One uncertain and visibly volatile risk is the effect that coming out of the European Union will have on the company's ability to trade. The group has recognised the impact that BREXIT can have on customer shopping habits and supply chains, however due to the group's location of trade being predominantly within the North West of England and coupled with its policy of sourcing local produce, this risk is minimised as options exist for complimentary products to be sourced to maintain performance.

Covid-19 Crisis

The more immediate risk is the effect Covid-19 has had on the global economy. The Board closely monitors the developments of Government guidance around this disruption to everyday life and is implementing the necessary strategic decisions to protect the long term growth of the group.

The health & Safety of our colleagues, customers and contractors has always been at the forefront of our minds. The unfortunate circumstances surrounding Covid-19 has placed immense strain on standard practices whereby new protective measures of till screens, social distancing measures and controls over shopper numbers have had to be implemented quickly and efficiently so that lives can be protected. Whilst extraordinary measures have been put in place recently, these will continue to be maintained as the group adapts and reacts to changes in the guidance issued by Government.

All of the Booths stores have remained open through this time and therefore have been able to continue to trade at full capacity with the exception of Cafes. However in the interests of health and wellbeing a number of our colleagues who are classed as vulnerable (extremely vulnerable, known as "shielded", and vulnerable) have been asked to remain at home. Where some colleagues have the ability to work from home with the appropriate provision of systems and equipment, this has also been encouraged to ensure that minimal numbers of colleagues are left to support the front line services at the Central Offices.

The affect Covid-19 has had on current trading and future outlook of performance is considered later in this report in the section strategy and financial year 2020/21.

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, together with a Booths Loyalty Card which gives benefits to customers has enabled this risk to be mitigated. Furthermore the weekly survey called 'My Booths' enables the group to monitor customer experiences and to react accordingly.

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 expansions. The trading patterns and business plans, together with budgets, are considered alongside the facility currently agreed with our banking relationship partners. Details of the group's borrowings are provided 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.

Strategic Report

Financial risk *(continued)*

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.

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.

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

Energy
The business operates risk management processes for the procurement of both electricity and gas contracts.

Business continuity and disaster recovery

A disaster recovery plan is in place to deal with any major event that would disrupt the running of the business. In addition to individual stores, this covers 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 employees operate within safe and legal guidelines for product handling and working standards. These guidelines are reviewed regularly by the Board and Senior Management.

Strategy and Financial Year 2020/21

The Board has approved the third year of the transformational plan on the back of a pre-Covid-19 baseline. Having completed the first two years in line with adjusted expectations due to market conditions, the third year was configured to capitalise on this foundation and grow EBITDA by at least 5%. It was the group's intention to aim for 10% growth through a combination of good cost control and continuing to delight and inspire our customers with our offering. The Covid-19 Pandemic however has meant that the first quarter of the new financial year has seen a significant reduction in footfall but more than outweighed by basket spend. Overall sales growth has been ahead of expectations but at the expense of some withdrawal of customer offerings namely the closure of our cafés, and reduced range on serve over counters. There has been a significant reduction in sales at the Lake District stores with an attributable increase in operating costs. The company has also continued to support absence costs for colleagues classified as vulnerable.

Strategic Report

Strategy and Financial Year 2020/21 *(continued)*

Overall the Board are pleased to report that whilst the key drivers for success are exaggerated across a number of business areas (sales, margin and costs), the company is still on track against a normalised pre Covid-19 plan. The skills of the team will now be exercised as we adapt over the remainder of the year to manage changes to the way we trade and how customers both old and new are kept safe and provided with excellent service.

Again we have been recognised for excellence by a number of trade bodies and were proud to be awarded "People's Choice Wine Supermarket of the Year" in the second year of the competition. We were also credited with selling one of the best Red Wines - Booths Rioja Reserva - Gran Norte. These accolades mean a lot to us as they represent exclusively the views of customers. We were the runner up for Supermarket of the Year in the Decanter Magazine awards and later in the year became the Spirits Supermarket of the Year. Both of our licensed buyers, Victoria Anderson (Wine) and Pete Newton (Spirits and Beer) were also recognised for their personal achievements on the national stage. Within our manufacturing area the Ambient Goods Packing (AGP) department was the runner up in the Food Manufacture Excellence Awards - Ambient Manufacturing Company of the Year - category.

There were many other product categories recognised by trade bodies and I should like to take this opportunity to acknowledge the expertise of so many teams in the buying and manufacturing departments where product journeys begin.

We have completed another year of immense progress against a fragile economic backdrop and the sternest test arrived in the form of the Covid-19 pandemic in the last two weeks of March. The business has coped with this magnificently and worked tirelessly to create safe shopping environments for colleagues and customers while reconfiguring working practices in the manufacturing and logistics areas.

It is not possible to predict the overall effect of the virus on the present financial year but the board will be prudent in ensuring that the company's operations are well supported to serve customers to the best of our ability.

Lastly I should like to recognise the 44 years of service completed by Mr Simon Booth up to his retirement from the board in September last year. Mr Simon commenced working in the business in 1975, joining the Family Board of Directors in 1984. He took a keen interest in the fresh food packing and production department latterly taking responsibility for the development of this area and central distribution as a member of the Operating Board which was formed in 1998. Mr Simon became a Non - Executive Director of the Company Board in 2015 and supported Booths as a director for 35 years.

I should also thank all of the Booths colleagues who have remained focussed upon maintaining Booths as a unique and special retailer worthy of the title - "The Good Grocers".

This report was approved by the board on 10 July 2020 and signed on its behalf.

EJ Booth CBE DL (Chairman and Chief Executive Officer)
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 28 March 2020.

Directors

The directors who served during the year are shown below:

E J Booth CBE DL (Chairman and Chief Executive Officer)
S K Booth (resigned 18 September 2019)
D G Booth
N R Murray
R A Faith
K J Roberts CNZM

Dividends

Dividends paid out for the period were £nil (2019: nil). The directors do not recommend a final dividend (2019: nil)

Corporate Governance

In line with good practice, the directors and its senior management team adhere to the highest standards of corporate governance which are reflected in the way the group is managed in terms of its purpose and engagement with all stakeholders. 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.

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. The approved transformational plan to restore sustained profitable growth is regularly reviewed in meetings and is aligned 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, employees, 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 marketing updates along with 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 beating customer service.

Regular updates on performance (financial and non-financial) are shared with all employees and are considered to be of great importance as they engage in delivering customer service and overall group objectives. This is achieved through the provision of monthly bulletins, on-line videos, notice boards, intranet, social media, pulse surveys and regular departmental meetings held at all sites.

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

Directors' Report

Stakeholder engagement *(continued)*

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

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 two Gender Pay Reports, published on the website, which show the progress the company has made in this area which is ahead of the country and sector overall.

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 throughout day to day decisions, especially in light of the current Covid-19 situation. 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 employees with the running of the business through employee share ownership.

Environment and community

The group invests a lot of time within its communities by providing out of trading hours space within it buildings for meetings, support groups and charities. The group raises annual income through recycling initiatives that are then directly re-invested back into worthwhile community initiatives, which include providing external Defibrillator units outside all of our locations in conjunction with North West Air Ambulance.

Environmental issues will always be high on the group's agenda as it looks to ways of reducing plastic usage in all areas and replacing with alternatives that mitigate damage to the environment. Through its connections with a managed waste solutions business the company has recently achieved zero to landfill accreditation.

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 8. The financial position of the group (and company), its cash flows; liquidity position and borrowing facilities are presented on pages 17 and 19 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.

Financial instruments

Details of financial risk management are provided in the Strategic Report on page 6.

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 2019/20, which has been renewed for 2020/21.

Directors' Report

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 10 July 2020 and signed on its behalf.

E J Booth CBE DL (Chairman and Chief Executive Officer)
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 28 March 2020 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 the related notes. 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 28 March 2020, and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 11, 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

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.

Jonathan Pinder (Senior Statutory Auditor)
For and on behalf of MHA Moore and Smalley
Chartered Accountants
Statutory Auditor

Richard House
Winckley Square
Preston
PR1 3HP

10 July 2020

Group Income Statement
for the year ended 28 March 2020

	Note	2020 £'000	2019 £'000
Turnover	1	267,831	259,334
Cost of sales		(243,100)	(235,750)
Gross profit		24,731	23,584
Administrative expenses		(25,077)	(24,949)
Other net income	4	107	174
Trading loss	2	(239)	(1,191)
Profit/(Loss) on disposal of property interests and other assets		311	(45)
Other exceptional charges	5	(385)	(616)
		(313)	(1,852)
Net finance credit on defined benefit pension scheme	20	90	147
Interest payable and similar expenses	6	(3,890)	(3,731)
Loss before taxation		(4,113)	(5,436)
Tax on loss	9	333	1,486
Loss for the financial year		(3,780)	(3,950)

Reconciliation of trading loss to EBITDA

	2020 £'000	2019 £'000
Trading loss	(239)	(1,191)
Depreciation of tangible fixed assets	7,078	7,787
Amortisation of intangible fixed assets	448	323
EBITDA	7,287	6,919

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

Group Statement of Comprehensive Income
for the year ended 28 March 2020

	Note	2020 £'000	2019 £'000
Loss for the financial year		(3,780)	(3,950)
Other comprehensive income/(expense)			
Remeasurement gain/(loss) on defined benefit pension plan	20	7,596	(3,039)
Total comprehensive income/(expense) for the year		3,816	(6,989)

Statement of Financial Position as at 28 March 2020

	Note	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Fixed assets					
Intangible assets	11	1,582	920	1,582	920
Tangible assets	12	103,636	108,092	91,481	95,746
Investments	13	(71)	(70)	5,083	5,083
		105,147	108,942	98,146	101,749
Current assets					
Stocks	14	14,464	16,016	14,464	16,016
Debtors - amounts falling due within one year	15	3,863	3,495	4,295	3,838
Debtors - amounts falling due after more than one year	15	-	-	19,104	19,482
Investments - properties held for sale	13	1,700	6,506	1,700	6,506
Cash at bank and in hand		11,168	1,424	11,160	1,365
		31,195	27,441	50,723	47,207
Creditors - amounts falling due within one year	16	(33,370)	(25,624)	(33,370)	(25,624)
Net current assets/(liabilities)		(2,175)	1,817	17,353	21,583
Total assets less current liabilities		102,972	110,759	115,499	123,332
Creditors - amounts falling due after more than one year	17	(70,863)	(73,491)	(70,863))	(73,491)
		32,109	37,268	44,636	49,841
Provision for liabilities and charges	19	(2,450)	(648)	(2,450)	(648)
Net assets excluding pension asset		29,659	36,620	42,186	49,193
Defined benefit pension asset	20	13,755	2,978	13,755	2,978
Net assets		43,414	39,598	55,941	52,171
Capital and reserves					
Called up share capital	21	1,256	1,256	1,256	1,256
Profit and loss account	22	42,158	38,342	54,685	50,915
Shareholders' funds		43,414	39,598	55,941	52,171

These financial statements were approved and authorised for issue by the board on 10 July 2020.

Signed on behalf of the board of directors

EJ Booth CBE DL - Director

D G Booth - Director

Company Number 00049933

Statement of Changes in Equity
as at 28 March 2020

Group	Share capital £000	Profit and loss account £000	Total £000
At 31 March 2018	1,256	45,331	46,587
Loss for the year	-	(3,950)	(3,950)
Remeasurement loss on defined benefit pension plan	-	(3,435)	(3,435)
Tax on components of other comprehensive loss	-	396	396
At 30 March 2019	1,256	38,342	39,598
Loss for the year	-	(3,780)	(3,780)
Remeasurement gain on defined benefit pension plan	-	9,703	9,703
Tax on components of other comprehensive gain	-	(2,107)	(2,107)
At 28 March 2020	1,256	42,158	43,414

Company	Share capital £000	Profit and loss account £000	Total £000
At 31 March 2018	1,256	57,818	59,074
Loss for the year	-	(3,864)	(3,864)
Remeasurement loss on defined benefit pension plan	-	(3,435)	(3,435)
Tax on components of other comprehensive loss	-	396	396
At 30 March 2019	1,256	50,915	52,171
Loss for the year	-	(3,826)	(3,826)
Remeasurement gain on defined benefit pension plan	-	9,703	9,703
Tax on components of other comprehensive gain	-	(2,107)	(2,107)
At 28 March 2020	1,256	54,685	55,941

Group Statement of Cash Flows
for the year ended 28 March 2020

	Note	2020		2019	
		£000	£000	£000	£000
Cash flow from operating activities					
Loss for the year before taxation		(4,113)		(5,436)	
Amortisation & depreciation of fixed assets		7,526		8,110	
Net finance credit on pension scheme asset		(90)		(147)	
(Profit)/Loss on disposal of property interests and other assets		(311)		45	
Interest payable and similar expenses		3,890		3,731	
Pension contributions paid in excess of current year service cost		(984)		(960)	
Share of operating loss of joint venture		1		-	
Decrease/(Increase) in stocks		1,552		(1,406)	
(Increase)/Decrease in debtors		(368)		210	
Increase/(Decrease) in creditors		7,716		(317)	
Corporation tax recovered		28		685	
Net cash flow from operating activities			14,847		4,515
Cash flow from investing activities					
Payments to acquire intangible fixed assets		(786)		-	
Payments to acquire tangible fixed assets		(2,984)		(4,719)	
Receipts from sale of tangible fixed assets		5,155		11	
Net cash flow from investing activities			1,385		(4,708)
Cash flow from financing activities					
Interest paid		(2,838)		(2,554)	
Repayments of loans		(3,650)		-	
Net cash flow from financing activities			(6,488)		(2,554)
Net increase/(decrease) in cash and cash equivalents			9,744		(2,747)
Cash and cash equivalents brought forward			1,424		4,171
Cash and cash equivalents carried forward			11,168		1,424
Cash and cash equivalents consists of:					
Cash at bank & in hand	18		11,168	-	1,424

Accounting Policies
for the year ended 28 March 2020

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, Ribbleton, 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 10.

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 28 March 2020

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.

Properties held for sale

Properties previously recognised within fixed assets are transferred to current assets, if the assets are being actively marketed for sale or a sale has been agreed at the reporting date.

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.

Accounting Policies
for the year ended 28 March 2020

Financial assets

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' 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 28 March 2020

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 17) 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 16 and 17).

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

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 28 March 2020

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 28 March 2020

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 20.

Goodwill

The group establishes a reliable estimate of the useful life of goodwill arising on business combinations. This estimate is based on a variety of factors such as the expected use of the acquired business, the expected usual life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses. The carrying amounts are disclosed in note 11.

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 12.

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 16 and 17.

Notes to the Financial Statements
for the year ended 28 March 2020

1 Turnover

Turnover represents external sales of goods during the period and is based on a 52 week accounting period (2019: 52 weeks). All turnover is derived from activities carried out in the UK.

2 Trading loss

	2020 £000	2019 £000
Trading loss is stated after charging/(crediting):		
Depreciation of tangible fixed assets	7,078	7,787
Amortisation of intangible fixed assets	448	323
Operating lease rentals of:		
• Land and buildings	5,940	5,730
• Other	753	642

3 Auditor's remuneration

	2020 £000	2019 £000
Fees payable to the company's auditor for the audit of the company's financial statements	47	45
Fees payable to the company's auditor for other services:		
Taxation compliance	18	21
Taxation advisory	1	10
Other services	3	3
	22	34
Fees payable to the company's auditor for the audit of the company's defined benefit pension scheme	5	4

4 Other net income

	2020 £000	2019 £000
Share of operating loss of joint venture (note 13)	(1)	-
Net rental income	108	174
	107	174

Notes to the Financial Statements for the year ended 28 March 2020

5 Other exceptional charges

	2020 £'000	2019 £'000
Refinancing costs	94	35
Restructuring costs	291	296
Impairment of stock	-	285
	385	616

Refinancing costs comprise professional fees associated with the 'amend and extend' of existing bank facilities and indirectly associated with the ground rent transactions (see note 17).

Restructuring costs comprise professional fees and one-off costs relating to a restructuring of the business operations during the current and prior year.

Impairment of stock comprise stock write downs following year end review of the stock holding.

6 Interest payable and similar charges

	2020 £'000	2019 £'000
On bank loans and overdrafts	1,619	1,368
On ground rent liabilities: cash	1,219	1,189
On ground rent liabilities: non-cash	1,052	1,174
	3,890	3,731

Notes to the Financial Statements
for the year ended 28 March 2020

7 Staff costs

	2020 £'000	2019 £'000
Wages and salaries	43,211	41,160
Social security costs	2,609	2,520
Other pension costs	1,689	1,833
	47,509	45,513

Breakdown of the average number of employees:	No.	No.
Central office administration	148	144
Selling and distribution	2,928	2,791
	3,076	2,935

8 Directors' remuneration

	2020 £'000	2019 £'000
Directors' remuneration (including benefits in kind)	1,015	1,148
Company contributions to defined contribution pension plan	27	30
	1,042	1,178
Highest paid director - emoluments	366	346

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 (2019: 2).

As at 28 March 2020 the highest paid director had accrued pension rights of £nil (2019: £nil).

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

Notes to the Financial Statements for the year ended 28 March 2020

9 **Taxation**

(a) Tax on loss

Current year	**2020 £000**	**2019 £000**
UK corporation tax at 19% (2019: 19%)	-	-
Deferred tax	(383)	(494)
	(383)	(494)
Prior periods		
UK corporation tax	(28)	(556)
Deferred tax	78	(436)
Tax on loss (note 9(c))	(333)	(1,486)

(b) Tax included in other comprehensive income

Deferred tax	**2020 £000**	**2019 £000**
Charge/(reversal) on remeasurement of defined benefit pension plan	2,107	(396)

(c) Reconciliation of tax charge

The difference between the tax on loss (note 9(a)) and the loss before tax multiplied by the applicable rate of corporation tax in the UK is reconciled below:

	2020 £000	**2019 £000**
Loss before tax	(4,113)	(5,436)
UK corporation tax at the standard rate 19% (2019: 19%)	(781)	(1,033)
Disallowed depreciation & impairment on non-qualifying assets	408	436
Permanent differences relating to income & expenses	2	21
Timing differences on pension asset/liability movements	(204)	(210)
Other timing differences	192	292
Tax under/(over) provided in prior years	50	(992)
Tax on loss (note 9(a))	(333)	(1,486)

Notes to the Financial Statements
for the year ended 28 March 2020

9 **Taxation (continued)**

(d) Deferred tax

The amount of unused tax losses is £9.0m (2019: £7.8m). There is no expiry date on timing differences or unused tax losses.

An analysis of the deferred tax provision is provided in note 19. 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 2020/21, an assessment as to the likely movement of other related timing differences cannot be made.

10 **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 £3,826,000 (2019: £3,864,000). The total comprehensive income of the parent company was £3,770,000 (2019: £6,903,000 loss).

11 **Intangible fixed assets**

Group and Company	**Goodwill**	**Other intangibles**	**Total**
	£'000	**£'000**	**£'000**
Cost			
At 31 March 2019	6,066	-	6,066
Transfers from tangible assets	-	1,527	1,527
Additions	-	786	786
At 28 March 2020	6,066	2,313	8,379
Amortisation			
At 31 March 2019	5,146	-	5,146
Transfers from tangible assets	-	1,203	1,203
Charge for the year	229	219	448
At 28 March 2020	5,375	1,422	6,797
Net book value			
At 28 March 2020	691	891	1,582
At 30 March 2019	920	-	920

Notes to the Financial Statements
for the year ended 28 March 2020

12 **Tangible fixed assets**

Group	Land and Buildings £000	Fixtures, Plant and Vehicles £000	Total £000
Cost			
At 31 March 2019	102,031	137,189	239,220
Transfers to intangible assets	-	(1,527)	(1,527)
Additions	52	2,932	2,984
Disposals	(46)	(1,721)	(1,767)
At 28 March 2020	102,037	136,873	238,910
Depreciation			
At 31 March 2019	29,599	101,529	131,128
Transfers to intangible assets	-	(1,203)	(1,203)
Charge for the year	1,275	5,803	7,078
On disposals	(13)	(1,716)	(1,729)
At 28 March 2020	30,861	104,413	135,274
Net book value			
At 28 March 2020	71,176	32,460	103,636
At 30 March 2019	72,432	35,660	108,092

Net book value of land and buildings comprises:

	2020 £000	2019 £000
Freehold	18,712	19,096
Long leasehold (more than 50 years unexpired)	52,464	53,336
	71,176	72,432

Non-depreciating assets included in land and buildings:		
Freehold	5,545	5,573
Long leasehold (more than 50 years unexpired)	25,979	25,979
	31,524	31,552

Notes to the Financial Statements
for the year ended 28 March 2020

12 Tangible fixed assets (continued)

Company	**Land and Buildings £000**	**Fixtures, Plant and Vehicles £000**	**Total £000**
Cost			
At 31 March 2019	87,019	137,189	224,208
Transfers to intangible assets	-	(1,527)	(1,527)
Additions	52	2,932	2,984
Disposals	(46)	(1,721)	(1,767)
At 28 March 2020	87,025	136,873	223,898
Depreciation			
At 31 March 2019	26,933	101,529	128,462
Transfers to intangible assets	-	(1,203)	(1,203)
Charge for the year	1,084	5,803	6,887
On disposals	(13)	(1,716)	(1,729)
At 28 March 2020	28,004	104,413	132,417
Net book value			
At 28 March 2020	59,021	32,460	91,481
At 30 March 2019	60,086	35,660	95,746

Net book value of land and buildings comprises:

	2020 £000	**2019 £000**
Freehold	11,789	12,072
Long leasehold (more than 50 years unexpired)	47,232	48,014
	59,021	60,086

Non-depreciating assets included in land and buildings:		
Freehold	2,166	2,194
Long leasehold (more than 50 years unexpired)	23,879	23,879
	26,045	26,073

12 Tangible fixed assets (continued)

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 17) and net consideration of £35.0m. As a result, there was a transfer between freehold land and buildings and long leasehold land and buildings.

Properties that are actively being marketed for sale at the year end have been transferred to current assets at net book value (see note 13).

13 Investments

Fixed asset investments

Group - Investment in joint venture

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

	2020 £'000	2019 £'000
Share of gross assets	9	9
Share of gross liabilities	(80)	(79)
Share of net (liabilities)/worth	(71)	(70)
Share of turnover	-	-
Share of operating loss	(1)	-
Share of interest payable	-	-
Share of loss after taxation and dividends	(1)	-

On 9 December 2008, the company invested £100 to acquire 50% of the share capital of Booths Partnership Limited (formerly Booths (Penrith) Ltd), a property development company, under a joint venture arrangement. As the year end for the joint venture falls on 31 December, interim accounts have been prepared for group reporting purposes to the group's reporting date. The group's share of the profit for the period and its share of its net worth at 28 March 2020 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'.

13 **Investments (continued)**

Company - Investment in group undertakings

	Shares in group undertaking £'000	Shares in joint venture £'000	Total £'000
At 30 March 2019 and 28 March 2020	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.

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

	Country of registration or incorporation	Principal activity	Shares Held %
Subsidiary undertakings			
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
Joint venture			
Booths Partnership Limited	England & Wales	Property development	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 15). 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.

Current asset investments – Properties held for sale

Group and Company

	2020 £'000	2019 £'000
Balance brought forward	6,506	4,406
Impairment reversal	-	400
Disposal	(4,806)	-
Transfer from fixed assets	-	1,700
	1,700	6,506

Notes to the Financial Statements
for the year ended 28 March 2020

14 Stocks

	Group and Company 2020 £000	2019 £000
Goods for resale	14,464	16,016

15 Debtors

	Group 2020 £000	2019 £000	Company 2020 £000	2019 £000
Amounts falling due within one year				
Trade debtors	852	600	852	600
Prepayments and accrued income	2,972	2,870	3,404	3,213
Amounts owed by joint venture	39	25	39	25
	3,863	3,495	4,295	3,838
Amounts falling due after more than one year				
Prepayments and accrued income	-	-	19,104	19,482
	3,863	3,495	23,399	23,320

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 (2019: £0.2m), the remaining balance of £19.1m (2019: £19.5m) is due after more than one year.

Notes to the Financial Statements
for the year ended 28 March 2020

16 Creditors - amounts falling due within one year

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Trade creditors	21,710	18,829	21,710	18,829
Other taxes and social security costs	1,964	1,181	1,964	1,181
Accruals	8,436	4,384	8,436	4,384
Ground rent liabilities	1,248	1,218	1,248	1,218
Preference shares	12	12	12	12
	33,370	25,624	33,370	25,624

See note 17 for terms and security attributable to the ground rent liabilities.

17 Creditors - amounts falling due after more than one year

	Group and Company 2020 £'000	Group and Company 2019 £'000
Bank loans repayable by instalments:		
Repayable within one to two years	5,600	37,417
Repayable between two to five years	28,167	-
	33,767	37,417
Ground rent liabilities repayable by instalments:		
Repayable within one to two years	1,284	1,259
Repayable between two and five years	4,075	4,030
Repayable after five years	31,737	30,785
	37,096	36,074
	70,863	73,491

Notes to the Financial Statements
for the year ended 28 March 2020

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

Bank loans

At the start of the year, the company was in the fourth year of extended four-year facilities with the Royal Bank of Scotland Group and HSBC. On 4 July 2019 the facilities were amended and extended to 30 September 2022. The new facilities include:

- A £19.4m term loan repayable at the end of the term;
- A £5.6m term loan repayable at 30 June 2021; and
- A Revolving Credit Facility of £17.5m.

The borrowings remain secured against specific properties and other assets and bear interest at 3.00% over Libor.

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.

18 Analysis of changes in net debt

Group	**At 31 March 2019 £'000**	**Cashflows £'000**	**Other non-cash changes £'000**	**At 28 March 2020 £'000**
Bank borrowings				
Repayable within one to two years	37,417	(3,650)	(28,167)	5,600
Repayable between two and five years	-	-	28,167	28,167
	37,417	(3,650)	-	33,767
Cash and cash equivalents				
Cash at bank & in hand	(1,424)	(9,744)	-	(11,168)
Net bank debt	35,993	(13,394)	-	22,599
Ground rent liabilities				
Repayable within one year	1,218	(1,219)	1,249	1,248
Repayable within one to two years	1,259	-	25	1,284
Repayable between two and five years	4,030	-	45	4,075
Repayable after five years	30,785	-	952	31,737
Net debt	73,285	(14,613)	2,271	60,943

Notes to the Financial Statements
for the year ended 28 March 2020

19 Provision for liabilities and charges

Deferred taxation	Group and Company 2020 £'000	2019 £'000
Balance brought forward	648	1,974
Movement to the income statement	(305)	(930)
Movement to other comprehensive income	2,107	(396)
Balance carried forward	2,450	648
The deferred taxation provision represents:		
Accelerated capital allowances	1,901	1,802
Taxable losses	(1,538)	(1,313)
Other timing differences	(526)	(347)
Actuarial gain credited to other comprehensive income	2,613	506
	2,450	648

20 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 5 April 2018 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 year to 28 March 2020 are expected to be £1.3m (recognised as a company contribution for accounting purposes).

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

	2020 £'000	2019 £'000
Present value of funded obligations	(89,414)	(93,359)
Fair value of scheme assets	103,169	96,337
Net defined benefit asset	13,755	2,978

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.

The pension scheme assets include £119,000 (2019: £119,000) of the company's own financial instruments (ordinary and preference shares), but do not include any property occupied by, or other assets used by, the company.

Notes to the Financial Statements for the year ended 28 March 2020

20 Pensions (continued)

Amounts recognised in the Income Statement are as follows:

	2020 £000	2019 £000
Administrative expenses	309	68
Net finance credit	(90)	(147)
	219	(79)

Analysis of amounts recognised in the Statement of Comprehensive Income:

	2020 £000	2019 £000
Experience gain	(8,647)	(1,790)
Actuarial (gain)/loss	(1,056)	5,225
	(9,703)	3,435
Deferred tax charge/(reversal) on defined benefit asset	2,107	(396)
	7,596	3,039

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

	2020 £000	2019 £000
Opening defined benefit obligation	(93,359)	(92,028)
Interest cost	(2,359)	(2,226)
Actuarial gain/(loss) on liabilities	1,056	(5,225)
Past service credit	-	(200)
Benefits paid	5,248	6,320
Closing defined benefit obligation	(89,414)	(93,359)

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

	2020 £000	2019 £000
Opening fair value of scheme assets	96,337	97,334
Interest income	2,449	2,373
Experience gain	8,647	1,790
Contributions by employer	1,293	1,228
Administrative expenses	(309)	(68)
Benefits paid	(5,248)	(6,320)
Closing fair value of scheme assets	103,169	96,337

	2020 £000	2019 £000
Actual return on scheme assets	11,096	4,163

Notes to the Financial Statements
for the year ended 28 March 2020

20 Pensions (continued)

The assets of the scheme are invested as follows:

	2020 %	2020 £'000	2019 %	2019 £'000
Bond funds	56.6	58,393	60.5	58,284
Diversified growth fund	6.5	6,706	7.7	7,418
Liability driven investments funds	27.7	28,578	23.1	22,254
Cash funds	1.1	1,135	0.3	289
Insurance contracts	2.4	2,476	2.8	2,697
Other	5.7	5,881	5.6	5,395
	100.0	103,169	100.0	96,337

Financial assumptions determined are set out below:

	2020 %	2019 %
Discount rate	2.35	2.60
RPI inflation	2.85	3.45
CPI inflation	1.95	2.50
Salary increases	n/a	2.50
Pension increases - RPI max 5.0%	2.82	3.27
Pension increases - CPI max 2.5%	1.68	1.97

Duration of the scheme liabilities have been estimated to be 21 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:

	2020 Yrs	2019 Yrs
Current life expectancy at age 63 - Male	22.5	22.4
Current life expectancy at age 63 - Female	24.6	24.4
Life expectancy at age 63 of a member currently aged 43 - Male	23.9	23.8
Life expectancy at age 63 of a member currently aged 43 - Female	26.2	26.0
	%	%
Cash commutation (maximum tax free cash available)	67.0	67.0

Actuarial tables used for the above demographic assumptions are S2PXA, year of birth table with a +1 year age rating with CMI_2019 projection model with a long term trend rate of 1.25% p.a. and a smoother parameter of 7.0 and core initial addition parameter of 0%.

Sensitivity analysis on the defined benefit obligations:

	Approximate impact on current surplus £m	Effect on FRS102 profit and loss credit next year £m
Increase of 0.25% in discount rate	4.3	0.10
Decrease of 0.25% in discount rate	(4.6)	(0.10)
Increase of 0.1% in inflation	(0.8)	(0.02)
Decrease of 0.1% in inflation	0.9	0.02
Increase in the long term mortality trend rate by 0.25%	(0.9)	(0.02)

20 Pensions (continued)

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 £1,316,000 (2019: £1,183,000).

21 Share capital

	Group and Company	
	2020	**2019**
	£'000	**£'000**
Equity:		
Ordinary shares of £1 each	1,256	1,256
Non-equity:	12	12
3½% Net cumulative preference shares of £1 each		

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.

Notes to the Financial Statements
for the year ended 28 March 2020

22 **Reserves**

Profit and loss account

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

23 **Operating lease commitments**

At 28 March 2020 total minimum lease payments under non-cancellable operating leases are as follows:

Group	**2020 £'000 Land and Buildings**	**2020 £'000 Other Items**	**2019 £'000 Land and Buildings**	**2019 £'000 Other Items**
Not later than one year	5,858	562	5,867	550
Later than one and not later than five years	24,128	759	23,897	630
Later than five years	115,839	8,571	126,905	-
	145,825	9,892	156,669	1,180

Company	**2020 £'000 Land and Buildings**	**2020 £'000 Other Items**	**2019 £'000 Land and Buildings**	**2019 £'000 Other Items**
Not later than one year	7,372	562	7,338	550
Later than one and not later than five years	30,183	759	29,781	630
Later than five years	136,023	8,571	147,987	-
	173,578	9,892	185,106	1,180

24 **Capital commitments**

The group had contracted commitments at the year end totalling £423,000 (2019: £nil).

25 **Ultimate controlling party**

There is no ultimate controlling party.

Notes to the Financial Statements
for the year ended 28 March 2020

26 Related party transactions

Group and company	2020 £'000	2019 £'000
Consultancy fees paid to directors	154	180
Dividends paid to directors	-	-

Company	2020 £'000	2019 £'000
Transactions with entities over which the company has joint control:		
Rental income received	62	62
Amount due at year end	15	15
Amount due from joint venture at year end	39	25

27 Financial instruments

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

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Carrying amount of financial assets				
Equity instruments measured at amortised cost	(71)	(70)	5,083	5,083
Debt instruments measured at amortised cost	891	625	891	625
	820	555	5,974	5,708
Carrying amount of financial liabilities				
Measured at amortised cost	104,233	99,115	104,233	99,115

Equity instruments measured at amortised cost relate to fixed asset investments (note 13). Debt instruments measured at amortised cost comprise elements of debtors (note 15). Financial liabilities comprise creditors (notes 16 and 17).

27 **Financial instruments (continued)**

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

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Income/(expenses)				
Financial assets measured at amortised cost	-	-	230	229
Financial liabilities measured at amortised cost	(3,890)	(3,731)	(4,135)	(3,844)
	(3,890)	(3,731)	(3,905)	(3,615)
Net gains/(losses), including changes in fair value				
Financial assets measured at amortised cost	(1)	-	-	-

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 £3.9m (2019: £3.7m).