Giant Topco Limited

Report and Accounts

52 weeks ended 30 March 2007

Registered Number 5137980

Contents

Directors' Report

The Directors present their report and audited accounts for the 52 week period ending 30 March 2007

Principal activities and review of business

Strategic Objectives

The principal trading subsidiary of the Group is Booker Limited, the UK's largest wholesaler of food and non food products to the independent retail and catering sectors

Following the acquisition of The Big Food Group plc by Giant Topco Limited in February 2005, all the activities of The Big Food Group plc, other than the cash and carry business of Booker Limited, were sold

In November 2005, a new senior management was introduced and a recovery plan was announced

The first phase of the plan between November 2005 and March 2006 comprised focusing the business on improving cash management and on the customer Through tight cash control and a re-financing, net debt was reduced, Head office costs were substantially reduced and supply chain costs were cut by approximately 20% The business was simplified and the buying and selling activities were brought closer together Stock availability was improved significantly and a new range of customer promotions introduced By March 2006, the "focus" phase was complete with net debt reduced to approximately £125m and the rate of profit decline was arrested

The second phase of the recovery plan between April 2006 and March 2007 involved "driving" the business through increased responsiveness to customers Customers wanted "Choice Up, Prices Down, Better Service" Customer choice has been improved through a combination of extended ranges, more emphasis on fruit and vegetables, targeting the on-trade, improved events, and a range of "Must Stocks" Prices Down has involved reducing the prices of 600 lines, improving promotions and launching "Booker Basics", a range of basic lines with an entry price ticket Initiatives designed to improve service have focused on availability, the speed of service and the role of the branch manager The directors believe that these actions are working As a result, the operating profit before goodwill amortisation, goodwill impairment and exceptional items for the year ended 30 March 2007 is £40 5m (2006 £21 7m)

The final phase of the recovery plan (which is ongoing) is to "Broaden" the business and is aimed at making Booker the UK's biggest and best supplier to small business "Choice Up, Prices Down, Better Service" remains the long term plan and there are significant opportunities for Booker to expand it's existing activities The directors believe that growth in the Booker business will come predominantly from the following areas

- Increasing sales to caterers,
- The conversion of branches to the new format, "Booker Extra",
- Expanding local delivery,
- Continuing to expand the Premier brand and Retail Club, and
- Harnessing the internet as a sales and distribution channel

Current Trading and Prospects

Sales levels in the first period of the current financial year were ahead of the same period in the prior year, whilst inventory levels and costs were in line with management expectations Overall, Booker is currently trading in accordance with management expectations

Directors' Report (continued)

Acquisition

On 9 May 2007, the Board of Blueheath Holdings plc, a company listed on AIM, conditionally agreed to acquire the entire issued share capital of Giant Topco Limited in consideration for the issue of 1,344,910,958 new ordinary shares in Blueheath Holdings plc Upon completion of the acquisition, the shareholders of Giant Topco Limited will be interested in 90 01% of the Fully Diluted Enlarged share capital of Blueheath Holdings plc The acquisition will be treated as a reverse takeover under the AIM rules and, as such, requires the prior approval of Blueheath Holdings plc shareholders at the Extraordinary General Meeting which has been convened for 1 June 2007 Application will be made for the shares to be admitted to trading on AIM,which is expected to become effective on 4 June 2007 Immediately prior to Admission, Blueheath Holdings plc will be renamed Booker Group plc

The enlarged group will be one of the UK's leading food wholesalers and will be unique in providing both national delivery and local "top-up" services in the UK, serving both single site and multi site customers The enlarged group will be able to enhance customer service through an increased choice of both product and delivery format

Risk

Commercial Risk
The Group faces increased competition from the grocery multiples as they move into the convenience store sector The Competition Commission is currently reviewing the food wholesale market and it is uncertain what the results will be of the review

Operational risk
Risk management, health and safety and potential employers' liability are key parts of the monthly executive meeting agenda

Financial Risk
The Group manages financial and treasury risk through active working capital and debt management, including liaison with finance providers Monitoring of net debt, banking facilities, cash flow and covenants is undertaken at Board level, on a regular basis Due to the improved trading performance and reduction in the level of net debt, the financial risk of the Group has reduced

Key Performance Indicators

Financial
The following are some of the principal KPI's used to monitor the financial performance of the business
- £ Gross Profit Margin
- Earnings before interest, tax and amortisation relative to plan
- Stock and cash balances relative to plan
- Levels of net debt

Non-Financial
- Customer satisfaction
- Health and safety

Directors' Report (continued)

Results and dividends

The Group recorded a loss for the period of £9 5m (2006 loss of £148 3m) after deducting goodwill amortisation of £21 6m (2006 £26 8m), goodwill impairment of £nil (2006 £102 6m) and exceptional charges of £1 8m (2006 £3 7m) The Directors do not recommend the payment of a dividend (2006 £nil)

The Group has a defined benefit pension scheme which provides final salary and money purchase benefits to its members During the year, the Group, in consultation with the Pension Scheme Trustees, developed a liability reduction program whereby offers were made to certain members in return for such members relinquishing specific rights in the Booker Pension Scheme In addition, the Pension Trustees amended the scheme rules to allow future retirees the option to take advantage of the offer on retirement The financial impact of these are disclosed in note 24

Directors and their interests

The Directors who held office during the period were as follows

HK Hustad	KJ Lyon
JC McMahon	JP Prentis
G Sigurdsson	C Wilson

The interests of the directors in the Ordinary B £0 01 shares of the Company were as follows

	30 March 2007	31 March 2006
JP Prentis	**6,800**	6,800
C Wilson	**36,000**	36,000

According to the register of directors' interests, no right to subscribe for shares in or debentures of the company or any other group company were granted to any of the directors or exercised by them during the period

Employees

It is the Group's policy to involve employees in the business and to ensure that matters of concern to them, including the Group's aims and objectives and its financial performance, are communicated in an open and regular way This is achieved through the use of business briefings, newsletters and other less formal communications

The promotion of equal opportunities for all employees, including disabled persons, is regarded as an important Group priority Applications for employment and promotion of disabled persons are treated on the same basis as those from other applicants having regard to aptitude, ability, requirements of the job and experience The Group's policy is to seek to continue the employment of, and to arrange appropriate training for, employees who have become disabled during the period when they were employed by the Group

Directors' Report (continued)

Suppliers

The company works closely with its suppliers to ensure the delivery of its policies on product quality and integrity, health and safety, and the environment Payments to suppliers are made in accordance with terms and practices agreed with individual suppliers

Political and charitable contributions

The Group made no political contributions or charitable donations during the period

Disclosure of information to auditors

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

Auditors

A resolution for the appointment of KPMG Audit plc as auditors of the company is to be proposed at the forthcoming Annual General Meeting

By order of the Board

M Chilton

M Chilton
Company Secretary
Date 30 MAY 2007

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

Statement of Directors' Responsibilities in respect of the Directors' Report and the Financial Statements

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

Company law requires the directors to prepare financial statements for each financial year Under that law they have elected to prepare the group and parent financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

The group and parent financial statements are required by law to give a true and fair view of the state of affairs of the group and parent company and of the profit or loss for that period

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985 They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

Report of the Independent Auditors to the Members of Giant Topco Limited

We have audited the financial statements of Giant Topco Limited for the 52 week period ended 30 March 2007 which comprise the Consolidated Profit and Loss Account, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement, the Consolidated Statement of Total Recognised Gains and Losses, the Consolidated and Company Reconciliation of Movements in Shareholders' Funds and the related notes These financial statements have been prepared under the accounting policies set out therein

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 6

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 30 March 2007 and of its loss for the 52 week period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

KPMG LLP

KPMG LLP
Chartered Accountants and Registered Auditor
Manchester
Date 30 May 2007

Consolidated Profit and Loss Account
For the 52 weeks ended 30 March 2007

	Note		52 weeks ended 30 March 2007 £m		52 weeks ended 31 March 2006 £m
Turnover			**3,009 8**		3,037 4
Cost of sales			**(2,923 3)**		(2,971 9)
Gross profit			**86 5**		65 5
Administrative expenses					
- normal		**(46.0)**		(43 8)	
Operating profit before goodwill amortisation, goodwill impairment and exceptional items			**40 5**		21 7
- goodwill amortisation and impairment		**(21 6)**		(129 4)	
- exceptional items	4	**(1 8)**		(3 7)	
Total administrative expenses			**(69 4)**		(176 9)
Operating profit/(loss)	2		**17.1**		(111 4)
Loss on disposal of fixed assets			**-**		(1 4)
Profit/(loss) on ordinary activities before interest and tax			**17.1**		(112 8)
Interest receivable and similar income			**1 6**		1 3
Interest payable and similar charges	5		**(13 0)**		(27 0)
Other finance income/(charges)	6		**0.6**		(3 6)
Profit/(loss) on ordinary activities before taxation			**6 3**		(142 1)
Tax on profit/(loss) on ordinary activities	7		**(15 8)**		(6 2)
Retained loss for the period	20		**(9 5)**		(148 3)

There is no material difference between the result shown above and the result given on an unmodified historical cost basis

Consolidated and Company Balance Sheets
At 30 March 2007

	Note	Group 30 March 2007 £m	Group 31 March 2006 £m	Company 30 March 2007 £m	Company 31 March 2006 £m
Fixed assets					
Intangible assets	8	**388 5**	410 1	-	-
Tangible assets	9	**65 1**	75 7	-	-
Investments	10	-	-	-	-
		453 6	485 8	-	-
Current assets					
Assets held for resale	11	-	4 3	-	-
Stocks	12	**176 2**	168 1	-	-
Debtors due within one year	13	**55 0**	58 7	**292 6**	292 7
Short-term deposits		**5 3**	2 0	-	-
Cash at bank and in hand		**24 6**	30 4	-	0 2
		261.1	263 5	**292 6**	292 9
Creditors due within one year	14	**(372 9)**	(333 0)	-	(0 3)
Net current (liabilities) / assets		**(111 8)**	(69 5)	**292 6**	292 6
Total assets less current liabilities		**341 8**	416 3	**292 6**	292 6
Creditors due after one year	15	**(95 5)**	(140 5)	-	-
		246 3	275 8	**292 6**	292 6
Provisions for liabilities and charges	18	**(38 4)**	(39 3)	-	-
Net assets excluding net pension deficit		**207 9**	236 5	**292 6**	292 6
Net pension deficit	24	**(16 5)**	(54 0)	-	-
Net assets including pension deficit		**191 4**	182 5	**292 6**	292 6
Capital and reserves					
Called-up share capital	19	**275 9**	275 9	**275 9**	275 9
Share premium account	20	**16 7**	16 7	**16 7**	16 7
Profit and loss account	20	**(101 2)**	(110 1)	-	-
Shareholders' funds		**191 4**	182 5	**292.6**	292 6

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

C Wilson
Director

Charles A W. Wilson

JP Prentis
Director

Date 30 May 2007

Consolidated Cash Flow Statement
For the 52 weeks ended 30 March 2007

	Note	52 weeks ended 30 March 2007 £m	52 weeks ended 31 March 2006 £m
Cash inflow from operating activities	25	**61 8**	32 3
Servicing of finance	26	**(7 5)**	(20 0)
Taxation		**(0.1)**	4 9
Capital expenditure and financial investment	26	**(6.0)**	(9 4)
Acquisitions and disposals	26	**4 3**	(5 6)
Cash inflow before use of liquid resources and financing		**52 5**	2 2
Management of liquid resources			
Net outflow from short-term deposits		**(3 3)**	(0 7)
Financing	26	**(73 9)**	(38 2)
Decrease in cash for the period		**(24 7)**	(36 7)
Reconciliation of net cash flow to movement in net debt			
Decrease in cash for the period		**(24.7)**	(36 7)
Cash inflow from debt and lease financing		**73 9**	123 2
Cash inflow from liquid resources		**3 3**	0 7
Non-cash movements		**(4 2)**	189 0
Movement in net debt in the period		**48 3**	276 2
Net debt at start of period		**(124.8)**	(401 0)
Net debt at end of period	27	**(76 5)**	(124 8)

Group Statement of Total Recognised Gains and Losses
For the 52 weeks ended 30 March 2007

	52 weeks ended 30 March 2007 £m	52 weeks ended 31 March 2006 £m
Loss for the financial period	**(9.5)**	(148 3)
Actuarial gain recognised in pension scheme (see note 24)	**43.5**	38 6
Deferred tax arising from gain in the pension scheme	**(13 0)**	(11 6)
Payments to deferred pension members (see note 24)	**(12 1)**	-
Exchange movements	**-**	(0 6)
Total recognised gains/(losses) for the period	**8 9**	(121 9)

Group Reconciliation of Movement in Shareholders' Funds
For the 52 weeks ended 30 March 2007

	52 weeks ended 30 March 2007 £m	52 weeks ended 31 March 2006 £m
Loss for the financial period	**(9 5)**	(148 3)
Other recognised gains and losses relating to the period (net)	**18 4**	26 4
Total recognised gains/(losses) for the period	**8 9**	(121 9)
New share capital subscribed (net of issue costs)	**-**	281 7
Net increase in shareholders' funds	**8 9**	159 8
Shareholders' funds at the start of the period	**182 5**	22 7
Shareholders' funds at the end of the period	**191 4**	182 5

Company Reconciliation of Movement in Shareholders' Funds
For the 52 weeks ended 30 March 2007

	52 weeks ended 30 March 2007 £m	52 weeks ended 31 March 2006 £m
Loss for the financial period	**-**	-
Other recognised gains and losses relating to the period (net)	**-**	-
Total recognised gains/(losses) for the period	**-**	-
New share capital subscribed (net of issue costs)	**-**	281 7
Net increase in shareholders' funds	**-**	281 7
Shareholders' funds at the start of the period	**292 6**	10 9
Shareholders' funds at the end of the period	**292 6**	292 6

Notes to the Accounts
At 30 March 2007

1 Accounting policies

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

Basis of preparation
The accounts have been prepared under the historical cost convention in accordance with applicable Accounting Standards

Basis of consolidation
The consolidated accounts include the accounts of the company and all its subsidiary undertakings Unless otherwise stated, the acquisition method of accounting has been adopted Under this method, the results of subsidiaries acquired or disposed during the period are included in the consolidated profit and loss account from the date of acquisition

No profit and loss account is presented for the parent company, Giant Topco Limited as permitted by section 230 of the Companies Act 1985

Goodwill
Goodwill arising in connection with the acquisitions of subsidiary undertakings and businesses is capitalised and amortised over its estimated economic life to a maximum of 20 years Goodwill is reviewed for impairment at the end of the first full year following the acquisition and in subsequent periods if events or changes in circumstances indicate that the carrying value may not be recoverable If a subsidiary, associate or business is subsequently sold or closed, any goodwill arising on acquisition that was written off directly to reserves or that has not been amortised through the profit and loss account is taken into account in determining the profit or loss on sale or closure

Turnover
Turnover is the value of goods and services sold in the ordinary course of business, excluding sales incentives and value added tax Provision is made for expected customer returns in line with the requirements of FRS5 Application Note G

In the opinion of the directors there is only one class of business being wholesale cash and carry, operating solely in the United Kingdom

Cost of sales
Cost of sales represents all costs incurred up to the point of sale including the operating expenses of the trading outlets

Supplier rebates
Supplier allowances and credits are recorded as a reduction of cost of sales as they are earned according to the underlying agreement Allowances consist primarily of promotional allowances, quantity discounts and payments under merchandising agreements Amounts received under promotional or other merchandising allowance agreements that require specific performance are recognised when the performance is satisfied, the amount is fixed and determinable and the collection is reasonably assured

Notes to the Accounts
At 30 March 2007

1 Accounting policies (continued)

Pension costs
The Group has defined benefit and defined contribution pension schemes, to which it made contributions to fund the retirement benefits of members within the schemes during the period The assets of the schemes are held separately from those of the Group

The cost in respect of defined contribution schemes is charged to the profit and loss account in the period in which contributions become payable

In respect of the defined benefit scheme the assets are measured using market values Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on high quality corporate bond of equivalent term and currency to the liability The pension scheme deficit is recognised in full The movement in the scheme deficit is analysed between operating charges, finance items and in the statement of recognised gains and losses, actuarial gains and losses

Gains arising from the exercises with deferred and current pensioners, as detailed in note 24, have been recorded directly to reserves

Foreign currencies
Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward exchange contract Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date or, if appropriate, at the forward contract rate All differences are taken to the profit and loss account

The assets and liabilities and profit and loss accounts of overseas subsidiary undertakings are translated at the rate of exchange ruling at the balance sheet date Gains and losses arising on these translations are taken to reserves, net of exchange differences arising on related foreign currency borrowings

Fixed assets
Fixed assets are stated at cost less accumulated depreciation or, if lower, their recoverable amount measured in accordance with FRS 11 'Impairment of fixed assets and goodwill' based on income generation and net realisable value

Depreciation is provided on a straight line basis at rates which write off the cost less estimated residual value of each asset evenly over its expected useful life as follows

Plant and equipment	4% to 20% per annum
Motor vehicles	25% per annum

All freehold property, other than freehold land, is depreciated over 50 years Land is not depreciated

Leasehold premiums and improvements are depreciated in equal annual instalments over the lesser of the unexpired term of the lease and 50 years However, that element of leasehold premium paid to acquire a beneficial rental is written off over the period to the first open market rent review

Property provisions
Where properties are no longer utilised in the business a provision is recorded where the future expected cash outflow exceeds any expected inflow from rental income The onerous lease provision is discounted in line with the requirements of FRS12

A discounted provision is recorded in respect of the estimated future cash outflow for interim and terminal dilapidations received on leased properties operated by the cash and carry business Dilapidations on vacant sublet property are included within the onerous lease provision above

Notes to the Accounts
At 30 March 2007

1 **Accountıng polıcıes (contınued)**

Stocks
Stocks are stated at the lower of cost and net realısable value Net realısable value ıs defined as sellıng prıce less further costs expected to be ıncurred to dısposal

Taxatıon
The charge for taxatıon ıs based on the result for the perıod and takes ınto account taxatıon deferred because of tımıng dıfferences ın the treatment of certaın ıtems for taxatıon and accountıng purposes

Deferred tax
In accordance wıth FRS19 deferred taxatıon ıs recognısed ın respect of all tımıng dıfferences that have orıgınated but not reversed at the balance sheet date, wıth the followıng exceptıons

- deferred taxatıon assets are only recognısed ıf ıt ıs consıdered more lıkely than not that there wıll be suıtable profıts from whıch the future reversal of the underlyıng tımıng dıfferences can be deducted,
- provısıon ıs made for gaıns on dısposal of fixed assets that have been rolled over ınto replacement assets only where, at the balance sheet date, there ıs a commıtment to dıspose of the replacement assets, and
- provısıon ıs made for the tax that would arıse on remıttance of the retaıned earnıngs of overseas subsıdıarıes only to the extent that, at the balance sheet date, dıvıdends have been accrued as receıvable

Deferred taxatıon ıs measured on a non-dıscounted basıs at the tax rates that are expected to apply ın the perıods ın whıch tımıng dıfferences reverse, based on tax rates and laws enacted or substantıvely enacted at the balance sheet date

Leases
Rentals payable under operatıng leases are charged to the profit and loss account on a straıght lıne basıs over the term of the lease

Assets held under fınance leases, whıch are those where substantıally all the rısks and rewards of ownershıp of the asset have passed to the Group, are capıtalısed ın the balance sheet and are deprecıated over theır useful lıves The capıtal element of future oblıgatıons under the leases ıs ıncluded as a lıabılıty ın the balance sheet The ınterest element of the rental oblıgatıons ıs charged to the profit and loss account over the perıod of the lease and represents a constant proportıon of the balance of capıtal repayments outstandıng

For sale and leaseback agreements the commercıal substance of the leaseback ıs taken ınto account when decıdıng on the correct accountıng treatment For sale and leaseback agreements whıch are of a rental nature ("operatıng leases") any profit or loss on dısposal ıs recognısed ımmedıately ın the profit and loss account
Incentıves receıved to enter ınto a lease agreement are recognısed ın the profıt and loss account over the shorter of the lease term and the perıod to the next rental revıew

Cash and Lıquıd Resources
Cash, for the purposes of the cash flow statement, comprıses cash ın hand and deposıts repayable on demand less overdrafts repayable on demand

Lıquıd resources are current asset ınvestments whıch are dısposable wıthout curtaılıng or dısruptıng the busıness and are eıther readıly convertıble ınto known amounts of cash at or close to theır carryıng values or traded ın an actıve market Lıquıd resources comprıse deposıts of less than one year

Notes to the Accounts
At 30 March 2007

1 Accounting policies (continued)

Dividends on shares presented within shareholders' funds
Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements

Classification of financial instruments issued by the Group
Following the adoption of FRS 25, financial instruments issued by the Group are treated as equity (i e forming part of shareholders' funds) only to the extent that they meet the following two conditions

a) they include no contractual obligations upon the Company (or Group as the case may be) to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company (or Group), and

b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholders' funds

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

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

Notes to the Accounts
At 30 March 2007

2 Operating profit/(loss)

	52 weeks ended 30 March 2007 £m	52 weeks ended 31 March 2006 £m
This is stated after charging		
Depreciation of owned assets	**16 8**	18 2
Depreciation of assets held under finance leases	**0 6**	0 4
Total depreciation charge (note 9)	**17 4**	18 6
Goodwill amortisation	**21 6**	26 8
Goodwill impairment	**-**	102 6
Total goodwill charge (note 8)	**21.6**	129 4
Operating lease rentals – plant and machinery	**5 5**	6 0
Operating lease rentals – land and buildings	**37 5**	36 5
Auditors' remuneration		
Audit of these financial statements	**0 1**	0 1
Audit of financial statements of subsidiaries pursuant to legislation	**0 2**	0 1
Other services relating to taxation	**0 3**	0 3

The audit fee for the Company was borne by another group undertaking without recharge

3 Employee costs and directors' emoluments

	52 weeks ended 30 March 2007 £m	52 weeks ended 31 March 2006 £m
i) Employee costs		
Wages and salaries	**123 4**	123 3
Social security costs	**11 1**	10 8
Other pension costs	**3 1**	3 2
	137 6	137 3

The average number of persons employed by the Group was	Number	Number
Total employed	**7,926**	8,431
Full time equivalent	**6,737**	7,209

	£'000	£'000
ii) Directors' emoluments	**1,167**	1,603
Pension contributions	**105**	47

The amounts in respect of the highest paid director are as follows

	£'000	£'000
Emoluments - in respect of accepting office	**-**	887
Emoluments - salary and benefits in kind	**511**	219
Pension contributions	**75**	33
	586	1,139

Retirement benefits are accruing to the following number of directors under	Number	Number
Money purchase schemes	**2**	2

Notes to the Accounts
At 30 March 2007

4 Exceptional items

	52 weeks ended 30 March 2007 £m	52 weeks ended 31 March 2006 £m
Business restructuring costs	0 6	2 7
Professional fees in respect of pensions	1 2	-
Fees in relation to refinancing costs	-	1 0
	1 8	3 7

Business restructuring costs for the current period relate to redundancy costs whilst the prior period includes the redundancy costs and aborted IT project costs incurred following the post acquisition review and rationalisation of the Booker business

During the current period the Group has undertaken two exercises in relation to reducing the risk in relation to it's defined benefit pension scheme and incurred £1 2m of professional fees (see note 24)

In the year to 31 March 2006, the Group refinanced its debt and equity structure and as a result incurred legal and professional fees

There is no effect of the above items on the tax charge

5 Interest payable and similar charges

	52 weeks ended 30 March 2007 £m	52 weeks ended 31 March 2006 £m
Interest on bank loans and overdrafts	12 6	26 9
Loan note interest	0 1	0 1
Other interest payable	0 3	-
	13 0	27 0

6 Other finance (income)/ charges

	52 weeks ended 30 March 2007 £m	52 weeks ended 31 March 2006 £m
Expected return on pension scheme assets	(40 2)	(36 4)
Interest on pension liabilities	34 7	35 9
	(5 5)	(0 5)
Unwinding of discount on provisions	2 6	2 2
Amortisation of refinancing costs	2 3	1 9
	(0 6)	3 6

Notes to the Accounts
At 30 March 2007

7 Tax on profıt/(loss) on ordınary actıvıtıes

	52 weeks ended 30 March 2007 £m	52 weeks ended 31 March 2006 £m
Current tax	**9 0**	-
Deferred tax		
Reversal of FRS17 deferred tax asset	**6 8**	6 2
Tax charge for the period	**15 8**	6 2

Reconcılıatıon of the current taxatıon charge

The tax assessed for the perıod ıs hıgher (2006 lower) than the standard rate of tax ın the UK (30%) The dıfferences are explaıned below

Profıt/(loss) on ordınary actıvıtıes before tax	**6 3**	(142 1)
Tax on profıt/(loss) at 30% (UK standard rate)	**1 9**	(42 6)
Permanent dıfferences	**0 7**	3 8
Short term tımıng dıfferences	**(6 4)**	(6 0)
Goodwıll charge not allowed for tax	**6 5**	38 8
Non taxable loss on dısposal of subsıdıary	-	0 6
Capıtal allowances ın excess of deprecıatıon	**(2 7)**	5 4
Tax ın respect of former busınesses	**9 0**	-
Current tax charge for the perıod	**9 0**	-

The future tax rate ıs expected to be lower than the standard rate due to the avaılabılıty of tax losses and deferred capıtal allowances

The Group has unprovıded deferred tax assets of £16 0m (2006 £7 0m) ın relatıon to deprecıatıon ın excess of capıtal allowances, £2 7m (2006 £nıl) that relate to short term tımıng dıfferences, £nıl (2006 £15 4m) ın relatıon to tradıng losses and £6 3m (2006 £nıl) ın respect of non tradıng losses

Notes to the Accounts
At 30 March 2007

8 **Intangible fixed assets**

Group	Goodwill £m
Cost	
At start and end of period	**543 5**
Amortisation	
At beginning of period	133 4
Charge for the period	21 6
At end of period	**155 0**
Net book value	
At end of period	**388 5**
At start of period	**410.1**

The directors consider each acquisition separately for the purpose of determining the amortisation period of any goodwill that arises
The above goodwill on the the acquisition of The Big Food Group plc and Hub Wholesale Limited is being amortised over 20 years

Company
The Company does not have any intangible fixed assets

Notes to the Accounts
At 30 March 2007

9 Tangible fixed assets

Group

	Land and Buildings Freehold £m	Long Leasehold £m	Short Leasehold £m	Fixtures & Fittings, Plant & Equipment £m	Motor Vehicles £m	Total £m
Cost						
At start of period	1 1	2 4	35 2	195 5	16 6	250 8
Additions	-	0 3	0 3	5 4	-	6 0
Disposals	-	-	(0 1)	(0 1)	(0 9)	(1 1)
Reclassifications	(0 5)	0 8	0 3	(0 6)	-	-
At end of period	**0 6**	**3 5**	**35.7**	**200.2**	**15 7**	**255 7**
Depreciation						
At start of period	-	0 3	18 4	143 0	13 4	175 1
Provided during the period	-	0 1	1 6	14 3	1 4	17 4
Disposals	-	-	-	(0 1)	(0 9)	(1 0)
Assets written off	-	-	-	(0 9)	-	(0 9)
At end of period	**-**	**0 4**	**20 0**	**156 3**	**13 9**	**190 6**
Net book value						
At end of period	**0 6**	**3 1**	**15 7**	**43 9**	**1.8**	**65 1**
At start of period	1 1	2 1	16 8	52 5	3 2	75 7

The cost of freehold properties includes land of £0 5m (2006 £0 5m) on which depreciation is not provided
The net book value of plant and equipment includes £1 4m (2006 £1 8m) in respect of assets held under finance leases The depreciation provided on these assets in the period was £0 6m (2006 £0 4m)

Company
The Company does not have any fixed assets

Notes to the Accounts
At 30 March 2007

10 Investments

Group
The Group does not have any ınvestments

Company	Subsıdıary undertakıngs £
Cost	
At start and end of perıod	**1**

The Company's prıncıpal subsıdıary undertakıngs at 30 March 2007, all of whıch are wholly owned and regıstered ın the Unıted Kıngdom are as follows

Name of company	Prıncıpal actıvıtıes
Gıant Mıdco Lımıted *	Intermedıate holdıng company
Gıant Bıdco Lımıted	Intermedıate holdıng company
The Bıg Food Group Lımıted	Intermedıate holdıng company
BF Lımıted	Intermedıate holdıng company
Gıant Booker Lımıted	Intermedıate holdıng company
Booker Lımıted	Wholesale cash & carry

* Dırect subsıdıary of Gıant Topco Lımıted

Full detaıls of all group subsıdıary undertakıngs are ıncluded ın the Company's annual return fıled wıth Companıes House

11 Assets held for resale

Group	**30 March 2007 £m**	31 March 2006 £m
Sale of Woodward Foodservıce Ltd	-	4 3

On 2 August 2005 the Group completed the sale of Woodward Foodservıce for £23 1m, ıncludıng £4 3m of deferred proceeds, whıch was receıved on 1 September 2006

Company
The Company does not hold any assets or ınvestments for resale

12 Stocks

	30 March 2007 £m	31 March 2006 £m
Goods for resale	**175.9**	167 9
Other consumables	**0 3**	0 2
	176.2	168 1

The Company does not hold any stocks

Notes to the Accounts
At 30 March 2007

13 Debtors due within one year

	Group		Company	
	30 March 2007 £m	31 March 2006 £m	30 March 2007 £m	31 March 2006 £m
Trade debtors	**23 6**	23 5	-	-
Amounts owed by subsidiary undertakings	-	-	**292 6**	292 7
Other debtors	**0 2**	0 8	-	-
Prepayments and accrued income	**31 2**	34 4	-	-
	55 0	58 7	**292 6**	292 7

Amounts owed by subsidiary undertakings are unsecured, interest free and repayable on demand

14 Creditors due within one year

	Group		Company	
	30 March 2007 £m	31 March 2006 £m	30 March 2007 £m	31 March 2006 £m
Bank loans and overdrafts	**18 9**	29 6	-	-
Obligations under finance leases	**0 6**	0 6	-	-
Trade creditors	**287 8**	256 5	-	-
Amounts owed to subsidiary undertakings	-	-	-	0 3
Corporation tax	**11 3**	2 4	-	-
Other taxes and social security costs	**10 6**	14 5	-	-
Other creditors	**5 5**	7 0	-	-
Accruals and deferred income	**38 2**	22 4	-	-
	372 9	333 0	-	0 3

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

15 Creditors due after one year

	Group		Company	
	30 March 2007 £m	31 March 2006 £m	30 March 2007 £m	31 March 2006 £m
Bank loans	**86.0**	125 7	-	-
Obligations under finance leases	**0.9**	1 3	-	-
Accruals and deferred income	**8.6**	13 5	-	-
	95.5	140 5	-	-

Bank loans include a loan which accrued interest at the rate of LIBOR plus 1 5% (increasing to 2 0% for next year) and is repayable in March 2011 This loan is secured against the assets of the Group

Accruals and deferred income include a reverse premium received that will be credited to the profit and loss account over the next 3 years

Notes to the Accounts
At 30 March 2007

16 Analysis of borrowings

	Group		Company	
	30 March 2007	31 March 2006	**30 March 2007**	31 March 2006
	£m	£m	**£m**	£m
Debt can be analysed as falling due				
In one year or less, or on demand	**1 7**	31 5	-	-
Between one and two years	-	-	-	-
Between two and five years	**89 8**	131 6	-	-
In five years or more	-	-	-	-
	91 5	163 1	-	-
Less unamortised arrangement fees	**(5 5)**	(7 8)	-	-
	86.0	155 3	-	-

17 Obligations under finance leases

	Group		Company	
	30 March 2007	31 March 2006	**30 March 2007**	31 March 2006
	£m	£m	**£m**	£m
The maturity of these amounts is as follows				
Within one year	**0 6**	0 6	-	-
Between one and two years	**0 7**	0 7	-	-
Between two to five years	**0 2**	0 6	-	-
	1 5	1 9	-	-

18 Provisions for liabilities and charges
Group

	Property provisions £m
At start of period	39 3
Released in the period	(0 6)
Unwinding of discount	2 6
Utilised	(2 9)
At end of period	**38 4**

The property provisions principally relates to

- the onerous leases on leasehold property currently vacant or sublet for less than the cost of the underlying head lease,
- the expected future dilapidation cost on leasehold properties, and
- the expected future costs of removing asbestos from leasehold properties Although not a health risk, the Group is legally required to undertake a program of removal

Property provisions are discounted at 7 0% (2006 7 5%) being the average yield for industrial properties

Company

The Company does not have any provisions for liabilities and charges

The Company has no unprovided deferred tax assets

Notes to the Accounts
At 30 March 2007

19 Share capital

	30 March 2007 £'000	31 March 2006 £'000
Authorised		
11,200,000 ordinary A1 shares of £0 01 each	**112**	112
11,200,000 ordinary A2 shares of £0 01 each	**112**	112
100,000 ordinary B shares of £0 01 each	**1**	1
10,000,000 preference A shares of £1 00 each	**10,000**	10,000
1,004,218 preference B shares of £1 00 each	**1,004**	1,004
1,358,649 preference C shares of £1 00 each	**1,359**	1,359
273,437,133 preference D shares of £1 00 each	**273,437**	273,437
	286,025	286,025
Allotted, called up and fully paid		
4,000,000 ordinary A1 shares of £0 01 each (2006 4,000,000)	**40**	40
7,200,000 ordinary A2 shares of £0 01 each (2006 7,200,000)	**72**	72
99,151 ordinary B shares of £0 01 each (2006 72,320)	**1**	1
	113	113
1,004,218 preference B shares of £1 00 each (2006 1,004,218)	**1,004**	1,004
1,358,649 preference C shares of £1 00 each (2006 1,358,649)	**1,359**	1,359
273,437,133 preference D shares of £1 00 each (2006 273,437,133)	**273,437**	273,437
	275,913	275,913
Shares classified as liabilities	**-**	-
Shares classified as shareholders' funds	**275,913**	275,913
	275,913	275,913

During the year the Company issued 26,831 ordinary B shares of £0 01 each for £0 29, giving rise to share premium of £7,512 68

The rights attaching to the shares are as follows

- the shareholder proceeds shall be allocated in the following order
  - ordinary B shares
  - preference A shares at £1 50 per share
  - preference B, C and D shares
  - any remaining is allocated to the ordinary A and preference B and C
- The A1 Shares are voting and the A2 Shares are non-voting However, at any time, the holder of A1 or A2 Shares may submit a request for the shares to be converted to the other provided that such conversion would not cause the Company to be an associate of Icebox Holdings Limited or Giant Property Consortium Limited, which are related parties to Giant Topco Limited as they have common shareholders B shares and all preference shares are non-voting

- The preference shares are not entitled to receive any dividends and are only repayable on winding up They have therefore been treated as equity following the requirements of FRS25

Notes to the Accounts
At 30 March 2007

20 Reserves

	Share premium account £m	Profit and loss account £m
Group		
At start of period	16 7	(110 1)
Retained loss for the period	-	(9 5)
Other recognised gains for the period	-	18 4
At end of period	**16 7**	**(101 2)**

	30 March 2007 £m	31 March 2006 £m
Profit and loss reserve before pension liability	**(231 8)**	(203 2)
Amount relating to net pension liability since acquisition	**130 6**	93 1
Profit and loss reserve after pension liability	**(101 2)**	(110 1)

	Share premium account £m	Profit and loss account £m
Company		
At start of period	16 7	-
Premium on shares issued	-	-
Retained loss for the period	-	-
At end of period	**16 7**	**-**

The company made a profit of £nil in the period (2006 £1,000) After dividends of £nil (2006 £nil) the retained profit for the year was £nil (2006 £1,000)

21 Contingent liabilities and guarantees

The Group has given unsecured guarantees to third parties in respect of property leases entered into by Iceland Foods Limited which have an annual rental of £0 2m (2006 £5 2m) and have expiry dates up to 2027

As part of the disposal of Woodward Foodservice Limited, the Group has given unsecured guarantees to third parties in respect of property leases which have an annual rental of £0 7m (2006 £0 7m) and have expiry dates up to 2030

The Group has also provided security over bank loans and liabilities as disclosed in note 16 There are no contingent liabilities

Notes to the Accounts
At 30 March 2007

22 Lease commitments

At 30 March 2007 the minimum lease payments due during the ensuing year under operating leases to which the Group was committed were as follows

	Land and buildings		Others	
	30 March 2007	31 March 2006	**30 March 2007**	31 March 2006
	£m	£m	**£m**	£m
Leases due to expire				
Within one year	**0 7**	0 5	**0 2**	0 4
Within two to five years	**2 2**	1 4	**1 7**	1 8
In more than five years	**38 9**	38 6	**-**	-
	41 8	40 5	**1 9**	2 2

23 Capital commitments

The outstanding commitments at 30 March 2007 in respect of contracted capital expenditure not provided for amounted to approximately £0 3m (2006 £0 3m)

24 Pension schemes

The Group has a defined benefit scheme and a number of defined contribution schemes to provide benefits to both full-time and part-time employees Benefits ceased to accrue under the defined benefit section of the scheme in respect of service after 31 July 2002 and employees were provided with defined contribution arrangements The assets of the schemes are held separately from those of the Group and are invested by independent fund managers appointed by the Trustees

Defined benefit schemes

The latest full actuarial valuation was carried out at 31 March 2004 and was updated for FRS 17 purposes to 1 April 2005, 31 March 2006 and 30 March 2007 by a qualified independent actuary The full actuarial for March 2007 will be issued in the next 12 months

The major assumptions used for FRS 17 purposes were

	30 March 2007	31 March 2006	1 April 2005
Discount rate	**5 40%**	5 00%	5 40%
Rate of increase in salaries	**4 50%**	4 25%	4 25%
Pension increases	**3 00%**	2 75%	2 75%
Inflation	**3.00%**	2 75%	2 75%

The mortality assumptions are PA92C2005 for current pensioners and PA92C2015 for future pensioners

The assets in the scheme and the expected rates of return are

	Long term rate of return expected			**Market value**		
	30 March 2007	31 March 2006	1 April 2005	**30 March 2007**	31 March 2006	1 April 2005
				£m	£m	£m
Equity	**8 00%**	8 00%	8 00%	**272 9**	336 8	284 9
Bonds	**5 30%**	4 90%	5 40%	**315 9**	288 8	256 8
Other	**5 25%**	4 50%	4 75%	**31.0**	1 3	2 4
Total market value of assets				**619 8**	626 9	544 1

Notes to the Accounts
At 30 March 2007

24 Pension schemes (continued)

The following amounts were measured in accordance with the requirements of FRS 17

	30 March 2007 £m	31 March 2006 £m	1 April 2005 £m
Total market value of assets	**619 8**	626 9	544 1
Present value of scheme liabilities	**(647 1)**	(711 5)	(679 3)
Deficit in the scheme	**(27 3)**	(84 6)	(135 2)
Related deferred tax asset	**10 8**	30 6	48 4
Net pension liability	**(16 5)**	(54 0)	(86 8)

	52 weeks ended 30 March 2007 £m	52 weeks ended 31 March 2006 £m
Amounts charged to operating profit		
Current service cost – defined benefit scheme	**0 4**	0 5
Analysis of amounts included in other finance charges		
Expected return on pension scheme assets	**(40 2)**	(36 4)
Interest on pension scheme liabilities	**34 7**	35 9
Total financing credit	**(5 5)**	(0 5)
Amounts to be recorded in the statement of total recognised gains and losses		
Difference between actual and expected return on assets	**(19 4)**	62 9
Experience gains/(losses) on liabilities	**37.8**	(0 2)
Change in actuarial assumptions	**25.1**	(24 1)
Actuarial gain	**43.5**	38 6
Movement in deficit during the period		
Deficit in the scheme at start of period	**(84 6)**	(135 2)
Total operating charge	**(0 4)**	(0 5)
Employer contributions	**8.7**	12 0
Total financing credit	**5 5**	0 5
Actuarial gain	**43.5**	38 6
Deficit in the scheme at end of the period	**(27 3)**	(84 6)

Notes to the Accounts
At 30 March 2007

24 Pension schemes (continued)

	52 weeks ended 30 March 2007 £m	52 weeks ended 31 March 2006 £m	44 weeks ended 1 April 2005 £m
History of experience gains and losses			
Difference between the expected and actual return on scheme assets			
Amount	**(19.4)**	62 9	(2 0)
Percentage of scheme assets	**(3 1%)**	10 0%	0 4%
Experience gains and losses on scheme liabilities			
Amount	**37 8**	(0 2)	0 1
Percentage of the present value of scheme liabilities	**5 9%**	(0 0%)	0 0%
Total amount recorded in the statement of total recognised gains and losses			
Amount	**43 5**	38 6	39 5
Percentage of the present value of scheme liabilities	**6 7%**	5 4%	5 8%

During the period, the company decided to reduce some of the risk in relation to it's defined benefit pension scheme by implementing two separate projects

- Deferred members were offered a payment, equal to the discount on the transfer value due to the scheme being underfunded, from the company if they opted to transfer out of the scheme to a new or existing scheme of their choice,
- Current pensioners were offered the option to change the way their benefits were received by way of a one off increase in their pension in return for foregoing all non statutory future annual increases In addition, the pension scheme rules were amended to allow future pensioners the option of exchanging future pension increases at retirement

In the opinion of the Directors, FRS17 is not clear on how to account for the gain of £25 6m which arises from such a transfer value exercise All members of the scheme have historically had the right to transfer out of the scheme and all pensioners included in the exercise were given the option to remain in the scheme The Directors are of the view that the gains that have arisen can be treated as an experience gain within actuarial gains and recorded direct to reserves as the number of deferred members transferring out as a result of the exercise is greater than that assumed in previous valuations

As the payments made by the Group to deferred members transferring out of the scheme are closely linked to the actuarial gain arising and does not relate to the ongoing wage cost of current employees, the Directors are of the view that it is appropriate to record the £12 1m charge direct to reserves in line with the accounting for the actuarial gain

The £10 6m gain which has arisen from the exercise with current pensioners does not result in a change in benefits, rather than a change in the way benefits can be taken The Group have therefore recorded the gain that has arisen direct to reserves, an accounting treatment which is consistent with that adopted for the gains arising out of A Day recorded in the prior year

Notes to the Accounts
At 30 March 2007

24 Pension schemes (continued)

The breakdown of the actuarial gains in the period can be summarised as follows

		£m
Experience gains		
	Deferred members	25 6
	Pensioner increase exercise	10 6
	Other gains	1 6
		37 8
Change in actuarial assumptions		
	Future pensioners accepting increase	3 8
	Changes in market indices	21 3
		25 1

The Trustees agreed to waive pension contributions to the value of the total cash payments However, the monthly contributions continued to be paid by the Group into an Escrow account At the period end, there is £4 2m in this account and it has been included within "Short term deposits"

"Exceptional costs" include £1 2m of professional fees which have been incurred to implement these arrangements

The J Eversheds Pension and Life Assurance Scheme is a legacy pension scheme for which the Group is ultimately responsible There are no outstanding liabilities in respect of the scheme and the advisors are currently determining how the remaining cash surplus of circa £1m will be distributed No amounts have been recognised in respect of the asset

Defined contribution schemes

Pension contributions of £3 1m (2006 £3 2m) were charged to defined contribution schemes in the period Included within accruals is £0 3m (2006 £0 3m) of outstanding pension contributions

25 **Reconciliation of operating profit/(loss) to operating cash flows**	**52 weeks ended 30 March 2007 £m**	52 weeks ended 31 March 2006 £m
Operating profit/(loss)	**17 1**	(111 4)
Depreciation	**17 4**	18 6
Goodwill amortisation and impairment	**21 6**	129 4
(Increase)/decrease in stocks	**(8.1)**	47 9
Decrease in debtors	**3 7**	22 9
Increase/(decrease) in creditors	**21.9**	(61 1)
Decrease in provisions	**(3 5)**	(2 5)
Difference between payment to pension scheme and FRS17 pension charge	**(8 3)**	(11 5)
Net cash inflow from operating activities	**61 8**	32 3

Notes to the Accounts
At 30 March 2007

26 Analysis of cash flows

	52 weeks ended 30 March 2007 £m	52 weeks ended 31 March 2006 £m
Servicing of finance		
Net interest paid	**(7 4)**	(20 0)
Interest element of finance lease rental payments	**(0 1)**	-
Net cash outflow for servicing of finance	**(7 5)**	(20 0)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	**(6 0)**	(10 0)
Sale of tangible fixed assets	**-**	0 6
Net cash outflow for capital expenditure and financial investment	**(6 0)**	(9 4)
Acquisitions and disposals		
Purchase of subsidiary undertakings	**-**	(14 1)
Disposal of assets held for resale	**4 3**	8 5
Net cash inflow/(outflow) from acquisitions and disposals	**4 3**	(5 6)
Financing		
Issue of share capital	**-**	85 0
Repayment of borrowings	**(73 5)**	(122 8)
Capital element of finance lease repayments	**(0 4)**	(0 4)
Net cash outflow from financing	**(73 9)**	(38 2)

Notes to the Accounts
At 30 March 2007

27 Analysis of net debt

	At start of period £m	Cash flow £m	Non cash items £m	**At end of period £m**
Cash at bank and in hand	30 4	(5 8)	-	**24.6**
Overdrafts	-	(18 9)	-	**(18 9)**
	30 4	(24 7)	-	**5 7**
Debt due within one year	(29 6)	29 6	-	-
Debt due after one year	(125 7)	43 9	(4 2)	**(86 0)**
	(155 3)	73 5	(4 2)	**(86 0)**
Finance leases	(1 9)	0 4	-	**(1 5)**
	(157 2)	73 9	(4 2)	**(87 5)**
Liquid resources – short-term deposits	2 0	3 3	-	**5 3**
	(124 8)	**52.5**	**(4 2)**	**(76 5)**

Included within "Short term deposits" is £4 2m held in an Escrow account which can only be used to pay deferred members leaving the pension scheme

28 Related party transactions

On 2 August 2005, the Group sold its interest in the Woodward business and its associated subsidiaries to GWW 677 Limited which has certain common owners with Giant Topco Limited

	30 March 2007 £m	31 March 2006 £m
Proceeds received for sale of business	**4 3**	18 8
Debtor within assets held for resale	-	4 3
Profit & loss – interest receivable	**0 1**	0 9

On 28 October 2005, the Group acquired 100% of the share capital of Hub Wholesale Limited for £1 8m Mr C Wilson, a director of Giant Topco Limited, owned 31% of the shares

The company has borrowings with HBoS plc and Kaupthing Bank hf, both of which are shareholders of Giant Topco Limited

	30 March 2007 £m	31 March 2006 £m
Loans	**(89.8)**	(161 0)
Overdrafts	**(18.8)**	-
Unamortised arrangement fees	**5 5**	7 8
Cash at bank and in hand	-	2 5
Interest accruals	**(2.4)**	(0 4)
Profit & loss – interest receivable	**(1.4)**	(0 8)
Profit & loss – interest payable	**12 6**	23 0
Profit & loss – amortisation of fees	**2 3**	1 9

Notes to the Accounts
At 30 March 2007

29 Post balance sheet events

Tax changes

On 21 March 2007, it was announced that the standard rate of corporation tax was to be changed to 28% and capital allowance legislation impacting on the calculation of the deferred tax provision of the company will be introduced for taxable periods arising on or after 1 April 2008 For the purpose of the company accounts to 30 March 2007, the standard rate of corporation tax and capital allowance legislation applicable prior to 30 March 2008 has been applied on the basis that these were enacted at 30 March 2007

Corporate

On 9 May 2007 it was announced that Blueheath Holdings plc has conditionally agreed to acquire the entire issued share capital of Giant Topco Limited Under AIM listing rules, the transaction will be treated as a reverse acquisition