

BOOKER



DRIVING AND BROADENING THE BUSINESS

BOOKER GROUP PLC
ANNUAL REPORT & ACCOUNTS 2015

BOOKER

Booker Group is the UK's leading food wholesaler.

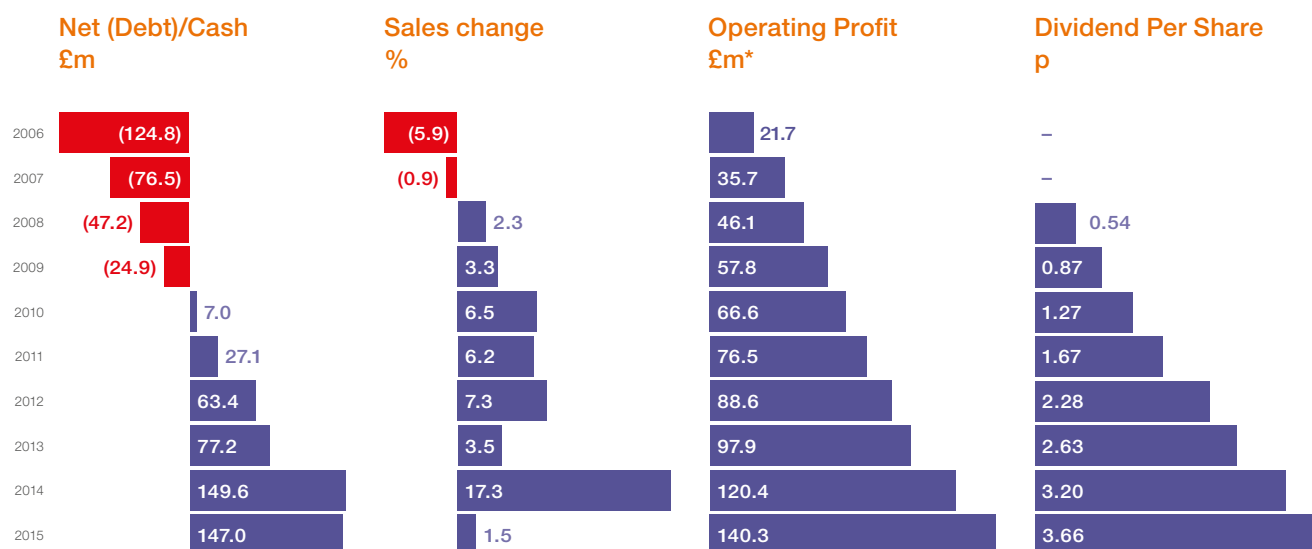
Booker Group comprises Booker Wholesale, Makro, Booker Direct, Classic Drinks, Ritter-Courivaud, Chef Direct and Booker India. Together we seek to provide caterers, retailers and small businesses with the best choice, price and service via delivery, digital and cash and carry.

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Notes: This document includes forward looking statements with respect to Booker Group plc's (the Group's) plans and its current goals and expectations relating to its future financial condition, performance and results. These forward looking statements sometimes contain words such as 'anticipate', 'target', 'expect', 'estimate', 'intend', 'plan', 'goal', 'believe', 'may', 'might', 'will', 'could' or other words of similar meaning. Any forward looking statements made throughout this document represent management's best judgement as to what may occur in the future. However, by their nature, forward looking statements involve known and unknown risks and uncertainties because they relate to future events and circumstances which may be beyond the Group's control, including, among other things, those risks listed in the Corporate Governance section of these Report and Accounts. As a result, the Group's actual financial condition, performance and results for the current and future fiscal periods and corporate developments may differ materially from those expressed or implied by the plans, goals and expectations set forth in any forward-looking statements, and persons receiving this document should not place reliance on forward-looking statements.

The Group expressly disclaims any obligation or undertaking (except as required by applicable law) to update the forward-looking statements made in this document or any other forward-looking statements it may make or to reflect any change in the Group's expectation with regard thereto or any changes in events, conditions or circumstances on which any such statement is based. Forward-looking statements made in this document are current only as of the date on which such statements are made.

HIGHLIGHTS



*before exceptional items

Financial Highlights

- Total sales £4.8bn, +1.5%
- Booker like-for-like sales (excluding Makro) +2.3%. Non-tobacco sales (excluding Makro) +2.9% and tobacco sales +1.1%
- Operating profit £140.3m, +17% (pre prior year £3.4m net exceptional credit relating to Makro acquisition)
- Profit after tax (post exceptionals) £117.7m +12%
- Basic earnings per share up 0.67 pence to 6.73 pence
- Net cash £147.0m (2014: £149.6m)
- Final dividend of 3.14p, taking the total dividend to 3.66 pence per share, an increase of 14%
- Proposed return of capital of 3.50 pence per share

Operational Highlights

- Our plan to Focus, Drive and Broaden Booker Group continues to make progress
- Customer satisfaction continued to improve
- Makro turnaround is on track
- Internet sales up 12% to £874m
- Booker Direct, Ritter-Courivaud, Classic and Chef Direct continue to make good progress
- Premier our symbol group and Family Shopper our local discount format had a strong year
- Sales in India are on track
- We have refined the Group structure to improve choice, prices and service to all our customers

Return of Capital

In July 2012 Booker Group plc issued £124m of shareholder equity to acquire Makro in the UK. Following the successful integration of Makro into the Group and a period of strong cash generation, the Board implemented a capital return to shareholders of 3.50 pence per ordinary share (at a cost of approximately £61m) in July 2014. Given the continued successful development of the Group, the Board is proposing a second capital return to shareholders of 3.50 pence per ordinary share (at a cost of approximately £62m, based on the current issued share capital of the Company). It is again proposed that this is achieved by the issue of a new class of 'B' shares which shareholders will be able to redeem for cash. The return of capital requires the approval of shareholders, which will be sought at the Annual General Meeting on 8 July 2015. Further details of the proposed return of capital will be set out in a circular to shareholders which will accompany the notice convening this year's Annual General Meeting.

We currently anticipate returning a similar amount to shareholders in July 2016 and will provide an update on this at the 2016 Final Results announcement in May 2016 in light of circumstances prevailing at that time.

BUSINESS PROFILE AND KEY PERFORMANCE INDICATORS

In the UK, the Group has 201 Business Centres and a national delivery network.

52 Weeks	Customer ¹ Numbers 000's	Sales £bn 2011	Sales ² £bn 2012	Sales £bn 2013	Sales ³ £bn 2014	Sales £bn 2015
Caterers	468	1.11	1.22	1.28	1.59	1.62
Retailers	123	2.41	2.56	2.62	2.69	2.76
SME/Others	782	0.08	0.08	0.09	0.40	0.37
Total	1,373	3.60	3.86	3.99	4.68	4.75

Of our sales, £3.23bn is non-tobacco and £1.52bn is tobacco.

52 Weeks	Sales £bn 2011	Sales ² £bn 2012	Sales £bn 2013	Sales ³ £bn 2014	Sales £bn 2015
Non-tobacco	2.24	2.39	2.50	3.17	3.23
Tobacco	1.36	1.47	1.49	1.51	1.52
Total	3.60	3.86	3.99	4.68	4.75

£3.36bn of our sales are collected from the business centres by the customer. £1.39bn is delivered to the customers' premises.

52 Weeks	Sales £bn 2011	Sales ² £bn 2012	Sales £bn 2013	Sales ³ £bn 2014	Sales £bn 2015
Collected from business centres/stores	2.67	2.81	2.84	3.41	3.36
Delivered to customers' premises	0.93	1.05	1.15	1.27	1.39
Total	3.60	3.86	3.99	4.68	4.75

Substantial progress has been achieved.

		2011	2012 ²	2013 ⁴	2014 ³	2015
Sales Change (52 Weeks)	%	+6.2	+7.3	+3.5	+17.3	+1.5
Customer Satisfaction	%	83.3	83.6	84.4	85.4	85.6
Operating Profit (52 Weeks) ⁵	£m	76.5	88.6	97.9	120.4	140.3
Net Cash	£m	27.1	63.4	77.2	149.6	147.0

¹ Includes approximately 523,000 customers of Booker Wholesale, 825,000 of Makro, 19,000 of Booker India, 3,000 of Ritter-Courivaud and 3,000 of Classic Drinks. Makro 'other' customers have reduced as the business has focused on professional ranges

² 2012 was a 53 week statutory reporting period

³ Includes Makro from 19 April 2013 (49 weeks)

⁴ Operating profit restated for the revision to IAS19 (Revised) in relation to pension accounting

⁵ Operating profit is stated before exceptional items

CHAIRMAN'S STATEMENT



Booker Group plc has delivered another good performance

I am pleased to report that Booker Group plc has delivered another good performance. In the 52 weeks to 27 March 2015 sales rose by 1.5% to £4.8bn and operating profit (before exceptional items) of £140.3m was up 17%. Customer satisfaction continued to improve, once again achieving best ever scores. The financial performance was good and the Group ended the financial year with net cash of £147.0m. The drive into the catering market is working, with Booker like-for-like total sales to caterers (excluding Makro) up by 2.0%. Booker like-for-like total sales to retailers (excluding Makro) increased by 2.7%.

The plans to 'Broaden' the business are going well. In the 52 weeks to 27 March 2015 Booker distributed £1.4bn of product to our customers' premises versus £1.3bn last year as we continue to expand our delivered service. Booker Direct, Chef Direct, Classic and Ritter-Courivaud, our specialist delivered businesses, remain on track. Internet sales were £874m compared to £777m in the previous year and sales at Booker India are making good progress.

Makro has made a good contribution to the Group. We now have everybody operating on common systems and have eleven combined Makro / Booker business centres which are performing well.

I should like to thank all our colleagues for their contribution to the success of the Group in the year just ended.

Basic earnings per share were 6.73 pence, up from 6.06 pence last year. Given the strong operational performance and cash flow of the business the Board recommends the payment of a final dividend of 3.14 pence per share (2014: 2.75 pence per share) which, together with the interim dividend, makes a total dividend for the year of 3.66 pence per share (2014: 3.20 pence per share). The final dividend is payable on 10 July 2015 to shareholders on the register on 12 June 2015.

In addition to the final dividend, the Board is recommending a special capital return to shareholders of 3.50 pence per ordinary share (at a cost of approximately £62m, based on the current issued share capital of the Company). This follows the capital return of 3.50 pence per share to shareholders in July 2014. We currently anticipate returning a similar amount to shareholders in July 2016.

Having been Chairman of Blueheath Plc, which merged with Booker in 2007, and then Chairman of the combined Group, I have been in the Chair for nine years. During this time there has been considerable progress by the Group. Given the strength of the Group, I feel it is a good time to move on. I will step down at the AGM in keeping with corporate governance best practice, and I wish the Company the best for the years ahead.

The process to identify my successor is well underway and an update will be provided.

Outlook

The Group's trading in the first seven weeks of the current financial year is ahead of last year. However, we anticipate that the challenging consumer and market environment will persist through the coming year and the UK's food market remains very competitive.

Whilst there is increasing price competition in the UK grocery and discount sectors, we will continue to deliver our plans to offer our customers even better choice, prices and service supported by the continued delivery of our efficiency programmes. We are on track to deliver an outcome for the new financial year in line with our plans and to make progress in this challenging environment.

Annual General Meeting

Our Annual General Meeting will be held on 8 July 2015. The notice of Annual General Meeting and a circular setting out further details of the proposed return of capital, which itself requires shareholder approval, will be issued to shareholders in due course.

Richard Rose
Chairman

CHIEF EXECUTIVE'S REVIEW



Since November 2005 Booker Group has been seeking to 'Focus, Drive and Broaden' the business

Since November 2005 Booker Group has been seeking to 'Focus, Drive and Broaden' the business. We continue to make good progress.

Focus

(commenced November 2005)

Booker seeks to become the most efficient operator in our sector. We continue to improve business efficiency. We 'stop, simplify and standardise' work and invest most of the resulting savings in customer service.

Drive

(commenced March 2006)

Booker Wholesale, our cash and carry business, served 523,000 customers this year up from 503,000 last year. We continue to 'Drive' choice, price and service for our customers. Each year we survey 40,000 customers to identify where improvements can be made.

Customer satisfaction improved again this year. Customer satisfaction is a key measure within the business and we have made significant progress since 2006.

Choice Up

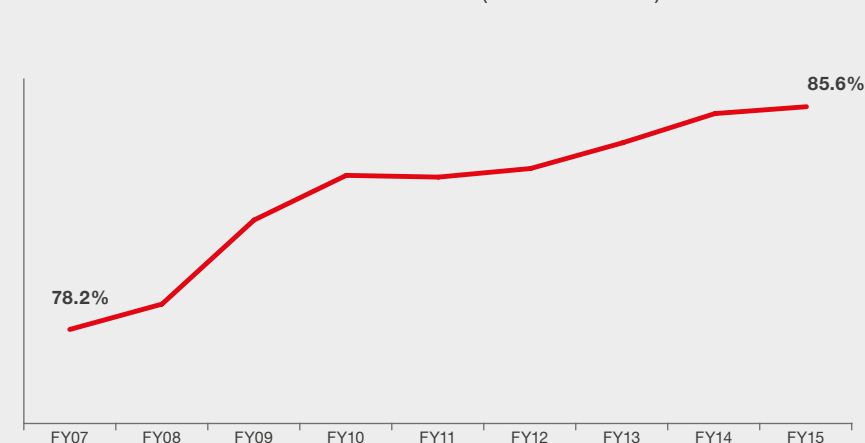
- Booker seeks to grow brands and own brand volumes.
- In 2010 we launched Farm Fresh. Sales in the year to 27 March 2015 were £65m. This is despite considerable deflation in the fresh markets. The quality and freshness of the produce is second to none and can be delivered to our customers within 48 hours of being harvested.
- We launched CleanPro last year. This range of professional cleaning products has been well received by customers. We have 50,000 customers buying CleanPro each week with sales of £39m per annum.

- We are very proud that our own-label products offer our customers award winning quality. This includes our Prosecco, which has won a Silver International Wine Challenge award, and also 60% of own-label wine entered at the International Wine Challenge was award winning. Ten products from our spirits range have also won medals at the International Spirits Challenge. More recently our exclusive Chef's Larder Sirloin steak has been awarded a Gold Medal by Eblex.

Prices Down

- We operate in a very price competitive market. Every week we monitor prices versus competitors and during the year our price index remained competitive. We are continuing to keep our core line prices at market leading levels to provide the best possible margin for our customers. During the year we saw significant

Booker Wholesale Customer Satisfaction (% recommend)



Source: ESA Marketing customer survey on behalf of the Company



price deflation, particularly in the catering sector. Booker has consistently offered low prices on these core products and maintains its promise of helping the customer during challenging times.

Better Service

- Our people are doing an excellent job. Our customers rate Booker people highly. Business Centre teams across the Group have been trained in PRIDE to help improve the Parking, Reception, Internal, Delivery and Exit experience.
- We have continued to expand and improve our delivery service.
- We have more specialist butchers and greengrocers within the business than last year. We also have skilled fish mongers operating in our Makro business centres.

Catering

- Catering like-for-like sales grew by 2.0%, as our choice, prices and service continued to improve. Our catering development sales force continues to serve our existing customers and to introduce new customers to Booker.

Premier

- Premier, Booker's symbol group, grew to 3,082 stores (2,902 stores last year). Sales to these customers grew by 14%. The retail development team has put a lot of work into both compliance and building the sales and profits of existing Premier stores.
- For the first time we advertised Premier on the television this year. This was well received by Premier retailers and consumers.

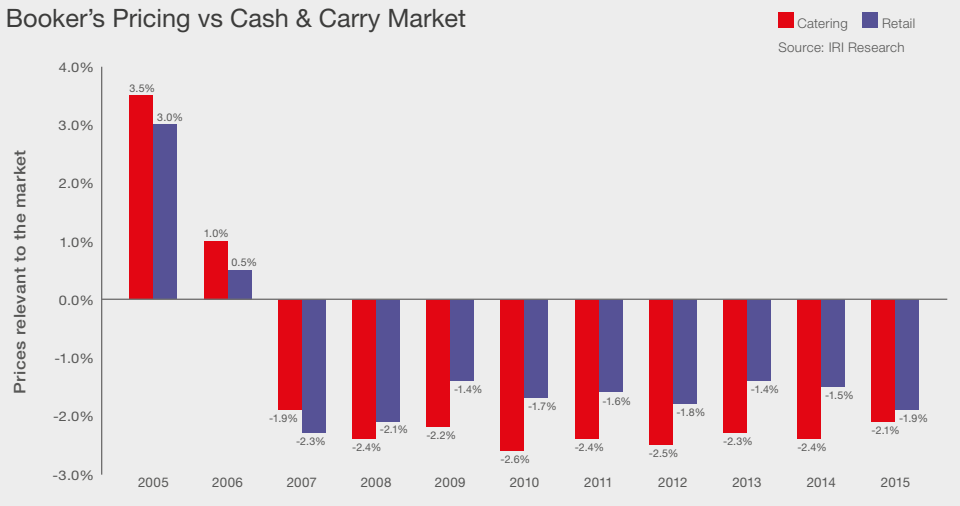
- Premier still remains unique by operating a no cost model for members, and has the advantage for retailers of having deliveries and also the ability to top-up at their local Booker branch. We install the fascia and imagery free of charge and also provide a market leading promotion every four weeks. All goods are delivered at cash and carry prices.

- We are committed to Premier and continue to see attractive opportunities for independent retailers to prosper in the UK's convenience market.

Customer Delivery

- Booker offers a seven days a week multi-temperature delivery service to both retail and catering customers (70% of the fleet has multi temperature capacity). All of our delivery customers pay the same price for goods as our collect customers. Our delivery business continues to grow (from £600m in 2008/9 to £1.4bn in 2014/15).

Booker's Pricing vs Cash & Carry Market



CHIEF EXECUTIVE'S REVIEW CONTINUED



Sheffield



Hull



Park Royal



Leeds



Charlton



Poole



Washington



Belfast



Shawfield



Enfield



Preston

Classic Drinks

- We are now operating Classic, our specialist on trade wholesale business, via the Booker and Makro business centres. This is working well.

Broaden

(commenced April 2007)

In the UK, Booker seeks to offer the best choice, price and service to caterers, retailers and small business. We also seek to become the suppliers' preferred route to market. In addition, we want to sell new products and services and reach new customers. In India we seek to become the best supplier to Kirana stores. To achieve these objectives, we are 'Broadening' the business. 'Broaden' includes:

Makro

- Makro has had a good year. In eleven locations we have combined Makro and Booker. This has been tailored to the local market. Critically, Makro is helping increase our capacity to grow delivered sales. This should help the Group grow to an estimated £6bn of sales in the next few years.

Digital

- Sales at booker.co.uk were £874m, up from £777m last year and £15m in 2005. All these sales are delivered to our customers' premises. We have 408,000 customers registered on the website compared to 334,000 last year. Customers can view their account details, use an iPhone app and order products. We have also

doubled the number of stock keeping units available to a typical customer on the website through our special order system. This has generated sales of £5m.

Booker Direct/Ritter-Courivaud and Chef Direct

- Booker Direct serves national accounts from our distribution centres, including the prison service in England and Wales, Marks & Spencer and most of the cinema chains in the UK.
- In 2010 we acquired Ritter-Courivaud, a leading speciality food supplier to restaurants. Through combining the logistics expertise we have in Booker Direct, with the catering knowledge from Ritter-Courivaud and the Groups' buying scale, we launched Chef Direct in 2012. Chef Direct is based in Didcot and has won some important clients such as Aramark and Wagamama. Aramark serves 250,000 meals a day and, through working with Booker Direct, their road miles have been halved and service has been improved.

Family Shopper

- We continue to develop Family Shopper, a local discount format. This is doing well. At May 2015, we have thirty stores and, although it is early days, the response to this format has been encouraging.

Booker India

- In September 2009 we opened our first business centre in Mumbai. We now have 19,000 customers and have also launched 190 Happy Shopper symbol retailers which harness the lessons learned from Premier in the UK for the Kirana stores of Mumbai. We now have four branches in Mumbai, one in Surat and one joint venture branch in Pune. We continue to review growth options in India and look forward to developing the Booker offer to become the best choice, price and service supplier to Kirana stores and caterers.

Sustainability

- Booker was the first UK wholesaler to achieve a third consecutive Carbon Trust Standard and the first in the UK to achieve the new Carbon Trust Waste Standard. Booker are also The Grocer Gold 'Green Wholesaler of the Year' 2014.
- Over 20,000 customers are now recycling with Booker through our packaging and used cooking oil recycling services. This helps our customers save money, increase recycling levels and support more sustainable communities throughout the UK.
- We installed our first sales floor LED lighting trial.
- We donated surplus food equivalent to over 288,000 meals to local charities in the last year.

- We are committed to helping our retail and catering customers serve communities throughout the United Kingdom.

Structure

- Rather than having the business structured as Booker Wholesale, Makro, Booker Direct, Chef Direct and Ritter-Courivaud, we have restructured to reflect our customers. Steve Fox will be responsible for all our retailers whether they are Premiers, Family Shoppers, independents, chains or multiple accounts. Stuart Hyslop has become responsible for all our caterers and small business customers. Andrew Muldoon runs all the business centres, whether they are Booker or Makro. Andrew Thompson with the Directors of Trading will be responsible for Group Buying. This team reports through to Guy Farrant and myself. This allows us to best deploy the strengths of Booker Group to all our customers.

People

- Again our team have done a great job this year. We are committed to continuing to make Booker better and safer for colleagues. We are also developing talent. For example, there is a shortage of butchers in the trade, so we have partnered with the University of West London to develop a formal 'butchery apprenticeship'. 28 new butchers graduated this year. We developed a similar scheme for greengrocers with 50 colleagues graduating this year. We intend to run both schemes again in 2015/16.
- Investment in our people has continued to make progress
 - All of our drivers and managers have had an annual refresher course of Safe, Secure and Legal training and our vocational drivers have now completed five years for the Certificate of Professional Competence (CPC), which is run by our team of in house trainers and delivery support managers.

– Further training has been developed this year. From 2015 we are running a driver apprenticeship scheme, open to internal and external drivers who wish to develop their career with Booker. We are also launching two new annual training days for managers, to support them by improving their day to day operation to increase customer satisfaction and continue helping us to drive cash profit.

- For the tenth year running, the performance of the business means our people have shared in our success through our bonus system. With this great team of people, Booker will continue to make progress in the year ahead.
- During the year Richard Rose, our Chairman, and Mark Aylwin, who ran Booker Direct / Chef Direct and Ritter-Courivaud, announced they would step down in April. They joined the Group in 2007 when Booker merged with Blueheath. Both have made a real contribution to the Group and we wish both of them the very best for the future.

Our plan to Focus, Drive and Broaden the business remains on track. Customer satisfaction continued to improve. We grew the Group to £4.8bn of sales. We strive to provide our customers with improved choice, prices and service via the internet, delivery and cash and carry. We have a great team and together we will help our customers prosper in the year ahead.

Charles Wilson
Chief Executive

GROUP FINANCE DIRECTOR'S REPORT



Group revenue increased by 2% to £4.8bn and operating profit (before exceptional items) improved by £19.9m to £140.3m

Financial Review

The summary of results for the Group is as follows:

	2015 £m	2014 £m	Change %
Revenue	4,753.0	4,681.6	+2
Operating profit (before exceptional items)	140.3	120.4	+17
Operating profit (after exceptional items)	140.3	123.8	+13
Profit before tax	138.8	122.1	+14
Profit after tax	117.7	105.2	+12
Basic earnings per share (pence)	6.73	6.06	+11

Makro has been consolidated since 19 April 2013.

Overall Group revenue increased by 1.5% to £4.8bn. Booker non-tobacco like-for-like sales (excluding Makro) increased by 2.9% while like-for-like tobacco sales rose by 1.1%.

Operating margin increased by 0.38 percentage points to 2.95% (2014: 2.57%) increasing group operating profit by £19.9m to £140.3m.

In the prior year, a net £3.4m exceptional credit was taken to the income statement. The credit related to the £11.2m difference between the fair value of Makro's assets and liabilities at the date of consolidation and the fair value of consideration paid, offset by £7.8m of exceptional costs. No exceptional costs were charged or credited in the current financial year.

The net finance charge of £1.5m (2014: £1.7m) relates mainly to the unwind of the discounting of provisions.

Profit before tax rose £16.7m to £138.8m (2014: £122.1m), an increase of 14%.

The underlying effective tax rate (the tax charge as a percentage of profit before taxation and exceptional items) for the Group of 15.2% (2014: 14.8%) was below the standard rate of corporation tax in the UK of 21% (2014: 23%). This

was due principally to the utilisation of ACT and tax losses from prior years. The Group holds significant tax assets, notably Makro tax losses and ACT, which continue to be unrecognised as the quantum and timing of their utilisation remains uncertain. If the Group is able to utilise these assets, this could result in the underlying effective rate of tax remaining below 20% for the next three years.

Profit after tax was £117.7m, an increase of £12.5m compared to 2014.

Basic earnings per share rose to 6.73p, up 11% from 6.06p in 2014.

Dividend

The Board is recommending a final dividend of 3.14 pence per share (2014: 2.75 pence per share), up 14%, payable (subject to shareholder approval at the Annual General Meeting, to be held on 8 July 2015) on 10 July 2015 to shareholders on the register at 12 June 2015. The shares will go ex-dividend on 11 June 2015.

The final dividend increases the total dividend for the year to 3.66 pence per share, an increase of 14% on 2014 (2014: 3.20 pence per share).

Return of Capital

In July 2012 Booker Group plc issued £124m of shareholder equity to acquire Makro in the UK. Following the successful integration of Makro into the Group and a period of strong cash generation, the Board implemented a capital return to shareholders of 3.50 pence per ordinary share (at a cost of approximately £61m) in July 2014. Given the continued successful development of the Group, the Board is proposing a second capital return to shareholders of 3.50 pence per ordinary share (at a cost of approximately £62m, based on the current issued share capital of the Company). It is again proposed that this is achieved by the issue of a new class of 'B' shares which shareholders will be able to redeem for cash. The return of capital requires the approval of shareholders, which will be sought at the Annual General Meeting on 8 July 2015. Further details of the proposed return of capital will be set out in a circular to shareholders which will accompany the notice convening this year's Annual General Meeting.

We currently anticipate returning a similar amount to shareholders in July 2016 and will provide an update on this at the 2016 Final Results announcement in May 2016 in light of circumstances prevailing at that time.

Cash Flow

Management has continued to focus on cash resulting in a net inflow of £115.2m, before dividend payments in the year of £56.9m and the capital repayment of £60.9m. Net cash at 27 March 2015 was £147.0m (2014: £149.6m). Earnings before interest, tax, depreciation and amortisation ('EBITDA') of £161.5m in the year, funded capital additions of £24.6m (2014: £18.0m), working capital absorption of £13.3m (2014: generation of £3.1m) and corporation tax payments of £15.1m (2014: £12.3m).

Pensions

The Booker Pension Scheme ('the Scheme') is a defined benefit scheme that was closed to new members in October 2001, and was closed to future accruals for existing members in August 2002. At 27 March 2015, the Scheme had an IAS 19 deficit of £19.7m (2014: £3.6m), comprising Scheme assets of £649.5m and estimated liabilities of £669.2m. The Group contributed £2.4m (2014: £9.6m) in the year.

Following the 2013 Triennial valuation, there will be no cash contributions required from the Company after the scheduled quarterly payment of £2.4m paid on 31 March 2014, subject to the results of subsequent Triennial valuations. The next Triennial valuation date is 31 March 2016.

Impairment

The net book value of tangible and intangible fixed assets on the balance sheet is £646.9m (2014: £643.2m). The goodwill carrying value is more than supported by expected future cash flows discounted back to present day values at a pre-tax discount rate of 9.7% (2014: 10.5%).

Capital Structure

The Group finances its operations through a combination of bank facilities, leases and retained profits and its capital base is structured to meet the ongoing requirements of the business. As at 27 March 2015, the Group had net cash of £147.0m (2014: £149.6m).

Borrowing Facilities

The Group entered into a five year facility on 28 July 2011 comprising an unsecured £120.0m revolving credit facility.

The Group's borrowings are subject to covenants set by the lenders. In the event of a failure to meet certain obligations, or if there is a covenant breach, the principal amounts due and any interest accrued are repayable on demand.

The financial covenants are Fixed Charge Cover, measured by the ratio of EBITDAR (earnings before interest, tax, exceptional items, depreciation, amortisation and rent) to interest plus rent (tested half yearly on a rolling basis) being greater than 1.5, and Leverage, measured by the ratio of net debt to EBITDA (earnings before interest, tax, depreciation and amortisation) (tested half yearly on a rolling basis) being less than 3.0.

The Group complied with its covenants throughout the year. At 27 March 2015 the Group achieved a Fixed Charge Cover of 4.3 and Leverage of nil, comfortably exceeding its covenant obligations.

In addition to these financial covenants the Group's borrowing agreements include general covenants and potential events of default. The Group has complied in all respects with the terms of its borrowing agreements at the date of this report.

Interest Rates

Funds drawn on the revolving credit facility bear floating interest rates linked to LIBOR plus a margin of 1.25%, where the ratio of net debt/ EBITDA is less than one. A commitment fee is payable at 0.5% of the unutilised facility.

The net cost of the facility during the year was £0.2m (2014: £0.2m).

Liquidity

At 27 March 2015, the Group held £147.0m in cash and cash equivalents. The Group also had in issue £6.3m of guarantees (2014: £4.9m) leaving undrawn facilities at 27 March 2015 of £113.7m.

The Company did not draw down on its revolving credit facility on a cleared basis in the year to 27 March 2015 giving a minimum facility headroom in the year of £113.0m after taking into account the guarantees facility of £7.0m.

Jonathan Prentis

Group Finance Director

CORPORATE SOCIAL RESPONSIBILITY REPORT

The Group recognises that it has social and environmental responsibilities arising from its operations and is committed to responsible business practices. These improve the welfare of colleagues and the communities in which we operate, and reduce our impact on the environment.

Colleagues

It is the Group's policy to involve colleagues 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 regularly in an open manner and, where appropriate, colleagues' views are taken into account. This is achieved through the use of business briefings and other less formal communication.

The Directors encourage colleagues to become shareholders in order to promote active participation in, and commitment to, the Group's success. This policy has been extended to all colleagues through the provision of a SAYE share scheme.

As at 27 March 2015, the following number of colleagues were contributing monthly to the following schemes:

- 3,069 colleagues – 2014 SAYE scheme;
- 2,888 colleagues – 2013 SAYE scheme;
- 1,576 colleagues – 2012 SAYE scheme.

Booker is an inclusive organisation where no-one receives less favourable treatment on the grounds of gender, nationality, marital status, colour, race, ethnic origin, creed, sexual orientation or disability. The promotion of equal opportunities for all employees is regarded as an important Group priority.

An analysis of Directors, senior managers and other employees by gender as at 27 March 2015 is as follows:

	Male Number	Female Number
Directors	9	2
Senior managers	52	5
Other employees	8,469	3,779

The Group has a balanced workforce in terms of experience, with an average age of 39.8 (2014: 40.0).

Community

The Group believes that good community relations are important to the long term development and sustainability of the operating businesses. The Group aims to build sustainable relationships with its customers, who are mainly independent businesses at the heart of their communities, by improving the choice, price and service of products and services supplied.

Each business centre, distribution centre and support centre has a nominated local charity. For the year ended 27 March 2015, colleagues raised £77,200 for these charities.

The Group also donates surplus food to local homeless charities from Booker business centres and distribution centres. In the year, the equivalent of 288,000 meals were donated to charities across the UK, with an additional 41 tonnes of food reprocessed for animal feed.

Environment

Resource Efficiency

Booker recognises its obligation to consider carefully its use of natural resources. We are taking steps to reduce our impact on the environment, both in our store operations and in our supply chain.

Using energy efficiently, minimising our emissions to air and monitoring our energy consumption are key components of our environmental work. Examples of energy efficient practices are:

- The installation of voltage optimisation units. At 27 March 2015, units had been installed in 123 Booker business centres;
- The daily use of data from the installation of smart meters installed in 2010 in all 172 Booker business centres and in early 2014 for the 29 Makro stores to monitor and control consumption of both electricity and gas. Data on energy consumption is captured on a half hourly basis allowing us to profile high or unusual patterns;
- New and refitted business centres with energy efficient features included in their designs:
 - Maximum transparent roof area, light-sensitivity and occupancy controls and energy-efficient lighting (including T5 and LED);
 - High efficiency heaters, timing controls and re-circulation fans;
 - High thermal efficiency cold rooms; and
 - New cladding and roofing to improve insulation;

- The efficient movement of stock through collaboration with suppliers to find ways to reduce food miles in the total supply chain by minimising empty journeys;
- In our HGV fleet, the replacement of old trailers with new more energy efficient refrigeration trailers;
- Improved fuel efficiency of our new HGV tractor fleet, which have been fitted with side wind deflectors and automatic engine switch off during vehicle idling;
- Solar photo voltaic (PV) panels, which convert sunlight to electricity, were installed as a trial on the roof of our Wimbledon branch in March 2014; and
- The trial installation of full sales floor LED lighting at Booker Leeds.

During the year, our absolute use of energy was 250 GWh compared with 270 GWh in the prior year, a 7% reduction.

Greenhouse Gas Emissions

For the second year, we report on the greenhouse gas (GHG) emissions for which we are responsible in accordance with The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended). The statement below summarises the Group's GHG emissions from fuel consumption and the operation of the Group's facilities for the year ended 27 March 2015 and the prior year.

GHG Emissions Data

	Tonnes CO ₂ e FY14	Tonnes CO ₂ e FY15	Variance Tonnes	Variance %
Scope 1				
Gas consumption	15,250	12,352	(2,898)	(19)
Diesel from leased vehicles	37,315	38,995	1,681	5
Petrol from leased vehicles	1	–	(1)	(100)
Fugitive emissions – Refrigerant Gas	23,205	17,021	(6,184)	(27)
Total Scope 1	75,770	68,368	(7,402)	(10)
Scope 2				
Purchased Electricity Generation	83,320	90,584	7,264	9
Total Scope 2	83,320	90,584	7,264	9
Significant Scope 3				
Electricity Transmission & Distribution	7,124	7,921	797	11
Waste Disposal	1,662	1,371	(291)	(18)
Total Scope 3	8,786	9,292	506	6
Out of Scopes	941	940	–	–
Total Gross Emissions	168,818	169,185	367	–
Intensity Measure	36.20	35.77	(0.44)	(1)

Notes:

- The Group has reported on all material emission sources for which it deems itself to be responsible, and the emissions data is reported using an operational control approach to define our organisational boundary;
- The methodologies and definitions used to derive the table above are based on the UK Government Environmental Reporting Guidance 2013 using the GHG Protocol and DEFRA GHG Conversion Factors Jan 2015;
- Data collected for the Government Carbon Reduction Commitment Energy Efficiency Scheme ('CRC scheme') has been used to report energy consumption data for Ritter & Classic. The CRC scheme is a mandatory reporting and pricing framework to improve energy efficiency in large public and private organisations;
- The intensity measure selected is tonnes CO₂e per £m of sales;
- In respect of India, we have undertaken a materiality assessment and consider that the related emissions are not material. Emissions from these operations are, therefore, excluded from our reported emissions;
- CO₂e is the CO₂ equivalent.

Overall our total Scope 1, 2 and 3 GHG emissions have shown an increase of 367 tonnes.

CORPORATE SOCIAL RESPONSIBILITY REPORT CONTINUED



The Carbon Trust Standard is a voluntary certification and mark of excellence that enables organisations to demonstrate their success in cutting their carbon footprint. The Standard is awarded for a two year period, with Booker obtaining a third consecutive Carbon Trust Standard in 2013. This biennial award demonstrates Booker's long term commitment to successfully measuring, managing and reducing its absolute carbon footprint consistently over a six year period.

Work in the area of sustainability has led to Booker being awarded, in 2014, the 'Green Wholesaler of the Year' at the Grocer Gold Awards, sponsored by the industry journal 'The Grocer' for the third consecutive year. In addition, in 2014, Chef Direct was awarded the 'Footprint' award by Footprint a foodservice sustainability trade publication owned by Footprint Media, for environmentally efficient logistics following work undertaken with a large customer to reduce their delivery emissions and cut food miles.

Preventing Waste

Packaging Improvements

As a wholesaler of packaged goods, our primary objective is to ensure that our products are safe to eat and reach consumers in optimal condition. Packaging plays a critical role in achieving this and we review at every opportunity how we can use fewer materials. This includes improving packaging to protect stock from damage, thereby reducing food waste, and reducing the weight of the packaging.

Company Waste Prevention and Recycling

We continue to work to prevent waste, redistribute fit for purpose food, increase recycling and divert waste away from landfill. We use the Government's 'waste hierarchy' which sets out five steps for dealing with waste ranked by their environmental impact, to ensure all waste is dealt with in the most environmentally positive way. Each store and distribution centre participates in recycling paper, plastic, cardboard, metal and wood from pallets. We have invested across the estate in balers, instigated waste league tables and continually focus on improvements. During the year we increased the volume of waste recycled and sent to recovery processes by 11% and reduced waste to landfill by 29% resulting in a recycling level of approximately 85%.

We have worked with both suppliers and customers to prevent waste across the supply chain. A total of 362 tonnes of product waste has been prevented in the year through initiatives such as early warning on short dated stock, improved forecasting and fresh promotion management, use of clearance routes by our suppliers and more surplus to animal feed.

We are an active contributor to the Institute of Grocery Distributors Product & Packaging Waste Prevention Group, whose aim is to prevent waste throughout the food industry. This has focused on delivering savings against a voluntary industry commitment to eliminate 200,000 tonnes of waste by the end of 2014. This target has been exceeded by 30%.

Business to Business Engagement

In addition to our own achievements, we believe that working on sustainability initiatives with independent businesses in local communities can deliver further improvements in sustainability.

Customer Packaging Recycling

In April 2012 our packaging recycling service was launched, and now over 11,000 customers are regularly using the service. Volumes of cardboard recycled in the year ended 27 March 2015 are up approximately 26% on the prior year at over 14,000 tonnes.

Customer Used Cooking Oil Recycling

Customers deposit used cooking oil at their local business centre or a collection can be arranged from their premises. The Group operates a simple rebate scheme per litre recycled. Approximately 9,000 customers are using the service and over 3.8 million litres of waste oil have been recycled into sustainable bio fuels in the year ended March 2015.



The Carbon Trust Waste Standard was introduced in 2013 by the Carbon Trust and is awarded to organisations able to demonstrate that they are measuring, managing and reducing waste year on year. Following the successful completion of a pilot stage, we were one of the first seven companies in the UK (and the first wholesaler) to receive this certification. The Standard was awarded for achievements made in improving waste management over the three year period ended March 2013 and lasts for a two year period. Initiatives included: customer recycling services, donation of surplus food to local charities, prevention of waste measures, diversion of waste food to animal feed and management of waste to landfill.

Booker was also named 'National Recycler of the Year' at the MRW National Recycling Awards in 2014 for our work in the area of waste prevention and recycling.

Ethical Sourcing

A number of the ingredients in our own label products are grown in developing countries. We seek to understand, manage and mitigate any issues associated with a particular commodity or country.

We use the Fairtrade and Red Tractor Farm Assurance schemes and all prospective own brand suppliers are required to complete a sustainability and ethics questionnaire. Examples of our approach are:

Red Tractor Farm Assurance: Red Tractor is a UK food assurance scheme which covers production standards on safety, hygiene, animal welfare and the environment. The Red Tractor logo on packs means food or drink has met these responsible production standards and is fully traceable back to independently inspected farms in the UK. Red Tractor certifies that food has been produced to independently inspected standards right across the food chain – from farm to pack. At 27 March 2015, the Group had 89 own label products displaying the Red Tractor logo across its retail and catering ranges and continues to work to widen the products covered by this standard.

Fairtrade: The objective of Fairtrade is to achieve better selling prices, decent working conditions, local sustainability and fair terms of trade for farmers and workers in the developing world. Fairtrade is an independent mark found on products where ingredients in the product have been produced by small-scale farmers that meet Fairtrade's social, economic and environmental standards. The standards include the protection of workers' rights and the environment, payment of a Fairtrade minimum price and an additional premium to invest in the farmers' and workers' community. The Group continues to expand its range of catering products that are certified as being Fairtrade, with all Chef's Larder tea and coffee products now being Fairtrade accredited. The Lichfield Fairtrade range now has 24 products across tea, coffee, sugar and biscuits. During the year the Group contributed the equivalent of £65,000 through Fairtrade premiums to help coffee growers.

Sustainable Palm Oil: Palm oil production has been well documented as a cause of substantial damage to the natural environment. Its impact includes deforestation, habitat loss of critically endangered species and a significant increase in greenhouse gas emissions. Although palm oil is only an extremely small input into the production by suppliers of our own label products, all Chef's Larder, Happy Shopper and Euroshopper ranges of biscuits and snack products contribute to the production of certified sustainable palm oil.

RISKS AND UNCERTAINTIES

The Board reviews annually the material financial and non financial risks facing the business and, on a rolling cycle basis, reviews the effectiveness of the risk management process and the resources that our business devotes to them.

The principal risks and corresponding mitigation set out below represent the principal uncertainties that the Board believes may impact the Group's ability to deliver effectively its strategy in the future. The list does not include all risks that the Group faces and it does not list the risks in any order of priority.

Risk	Impact	Mitigating factors
Increasing price competition in the UK grocery and discount sectors	A decline in selling prices could have an adverse impact on the Group's sales, operating profits and cashflow.	We will continue to improve the choice, price and service to our customers.
Failure to respond to competition	This could have an adverse impact on the Group's sales, operating profits and cashflow.	The industry is extremely competitive with the market being served by numerous competitors, ranging from national multiple retailers to regional independent wholesalers. We compete by closely monitoring the activities of our competitors and ensuring we continue to improve the choice, price and service to our customers.
Changes in regulation	Changing legislation may impact our ability to market or sell certain products or could cause the Group to incur additional costs or liabilities that could adversely affect its business.	The Group operates in an environment governed by strict regulations to ensure the safety and protection of customers, shareholders, employees and other stakeholders and the operation of an open and competitive market. These regulations include food hygiene, health and safety, data protection, the rules of the London Stock Exchange and competition law. In all cases, the Board takes its responsibilities seriously, and recognises that any breach of regulation could cause reputational and financial damage to the Group.
Product quality and safety	This could have an adverse impact on the Group's reputation, sales, operating profits and cashflow.	The quality and safety of our products is of critical importance and any failure in this regard would affect the confidence of our customers in us. We work with our suppliers to ensure the integrity of the products supplied. Food hygiene practices are taken seriously throughout the Group, and are monitored both through internal audit procedures and by external bodies, such as environmental health departments, within local authorities. We have well prepared procedures for crisis management in order to act quickly when required. We are aware that if we fail, or are perceived to have failed, to deliver to our customers' satisfaction the expected standards of quality and safety in our products, their loyalty to us may be potentially impacted. This in turn could adversely impact on our market share and our financial results.
Employee engagement and retention	The continued success of the Group relies on the investment in the training and development of our employees.	The Group's employment policies, remuneration and benefits packages are designed to be competitive, as well as providing colleagues with fulfilling career opportunities. The Group continually engages with employees across the business to ensure that we keep strengthening our team at every level.
Supplier credit	Availability of supplier credit is essential for the Group's financial performance. If the providers of credit insurance withdraw or materially reduce the levels of cover they provide to the Group's trade creditors in respect of the Group, this might affect the Group's ability to obtain products from those suppliers on existing credit terms and could worsen the Group's cashflow.	The Group Finance Director regularly meets the key credit insurers to ensure that they have an up to date understanding of the Group's financial position.

Risk	Impact	Mitigating factors
Pension funding	A worsening funding position may require the Group to pay cash contributions or provide further assurance to cover future liabilities. This could worsen the Group's cashflow.	The Group seeks to agree appropriate investment policies with the Trustee and closely monitors the funding position of the Pension Scheme with the Trustee. Both the Company and the Trustee take advice from independent qualified actuaries.
Failure of the Group's information technology systems	The maintenance and development of information technology systems may result in system failures, including cyber security breaches which may adversely impact the Group's ability to operate, which could affect the Group's sales, operating profits and cashflow.	The Group has appropriate controls in place to mitigate the risk of systems failure, including systems back up procedures and disaster recovery plans, and also has appropriate virus protection and network security controls.
Health and Safety risks	A health and safety related incident could result in serious injury to the Group's employees, contractors, customers and visitors, which could adversely affect our operations and result in reputational damage, criminal prosecution and civil litigation. This could affect the Group's reputation, with a potentially adverse affect on sales, operating profits and cashflow.	<p>The Group has developed an effective health and safety management system to ensure compliance with all legal duties placed on the organisation by law. All systems are subject to regular review with training provided as appropriate.</p> <p>The Group employs a Health and Safety manager to maintain the management system, along with the identification and remediation of specific risks, and ensuring employees are aware of regulatory requirements.</p>
Environmental management	A long term increase in energy prices could have an adverse effect on the Group's sales, operating profits and cashflow with an increasing cost to operations to adapt to climate change and mitigate impact.	<p>The Group has a continual focus on reducing our environmental impact and implementing changes to our operations to maximise opportunities such as recycling more waste and using more renewable sources of fuel.</p> <p>Greenhouse gas emissions are measured and reported annually.</p> <p>Substantial investment is made to improve environmental risk management, with a focus on energy efficiency when investing in new capital projects.</p>

Strategic report approval

The Strategic Report, outlined on pages 1 to 15, incorporates the Highlights, the Business Profile and Key Performance Indicators, the Chairman's Statement, the Chief Executive's Review, the Group Finance Director's Report, the Corporate Social Responsibility Report and the Risks and Uncertainties sections.

By order of the Board

Mark Chilton
Company Secretary
 20 May 2015

DIRECTORS' REPORT

The Directors present their report for the 52 week period ended 27 March 2015. The UKLA's Listing Rules and Disclosure and Transparency Rules also require the Company to make certain disclosures, some of which have been included in other appropriate sections of the Annual Report and Accounts. The following are incorporated into the Directors' Report by reference:

Future Developments in the Business	4–7	Directors' responsibility statements	55
Employment policy and employee involvement	10	Financial instruments	79–81
Greenhouse Gas Emissions	11	Post balance sheet events	88
Corporate Governance Report	20–24		

The Strategic Report, which the Company is required to prepare, can be found on pages 1 to 15 and is incorporated by reference and deemed to form part of this report. The Strategic Report includes information on the principal risks and uncertainties.

Dividends

The Directors have recommended a final dividend of 3.14 pence per ordinary share. If approved by shareholders at the Annual General Meeting on 8 July 2015, this final dividend will be payable on 10 July 2015 to shareholders on the register of members at the close of business on 12 June 2015. An interim dividend of 0.52 pence per share was paid on 28 November 2014.

If the final dividend is approved by shareholders, dividends for the year will total 3.66 pence per ordinary share (2014: 3.20 pence).

Return of Capital

The Company is proposing to implement a capital return to shareholders of 3.50 pence per ordinary share (at a cost of approximately £62m based on the amount of issued share capital of the Company). It is proposed that this is achieved by the issue of a new class of B Shares which shareholders will be able to redeem for cash.

Interests of Directors in Contracts

During the period no Director had any material interest in any significant contract to which the Company or any subsidiary was a party.

Changes of Control

All of the Company's share schemes contain provisions relating to a change of control. Outstanding options and awards normally vest and become exercisable on a change of control, subject to the satisfaction of any performance conditions at that time. The Company is not a party to any other significant agreements that take effect, alter or terminate upon a change of control following a takeover bid other than its bank facility agreement, which provides that on a change of control the lender shall not be obliged to fund a utilisation (except for a rollover loan) and, if it so requires, may cancel its commitment and declare its participation in all outstanding utilisations immediately due and payable. Further the Company is not party to any agreement with the Directors or employees providing for compensation for loss of office or employment (whether through resignation, purported redundancy or otherwise) that occurs as a result of a takeover bid other than with Charles Wilson, in that in the event of a change of control of the Company, Charles Wilson has the right to terminate his employment on 30 days' notice and to receive a payment equal to his gross salary for his contractual notice period.

Directors

The names of those persons serving as Directors of the Company during the year are set out below. The Directors held office throughout the period.

Charles Wilson	Jonathan Prentis
Mark Aylwin	Guy Farrant
Bryn Satherley	Richard Rose
Lord Bilimoria	Helena Andreas
Andrew Cripps	Stewart Gilliland
Karen Jones	

Biographical details of the current Directors are set out in the section headed Directors and Officers on pages 18 and 19.

Directors' and Officers' Liability Insurance

The Company maintains appropriate directors' and officers' liability insurance in respect of itself and its Directors and Officers. The Directors may also be indemnified in accordance with the Company's Articles of Association and to the maximum extent permitted by law, although no such indemnities are currently in place. The insurance does not, and any indemnities if granted would not, provide cover where the relevant Director or Officer has acted fraudulently or dishonestly.

Share Capital

As at 27 March 2015, the Company's share capital consisted of 1,755,014,689 issued and fully paid Ordinary Shares with a nominal value of 1 pence per share. The rights and obligations attaching to these shares are contained in the Company's Articles of Association. Each Ordinary Share carries the right to one vote on a poll, and to attend and speak at a general meeting of the Company, to appoint proxies to exercise full voting rights and to participate in any distribution of income or capital. There are no restrictions on transfer or limitations on the holding of the Ordinary Shares, nor are there any requirements for prior approval for their transfer.

At the Annual General Meeting held in 2014, the Company was granted authority by shareholders to purchase up to 174.3 million Ordinary Shares, representing less than 10% of the Company's ordinary share capital as at 28 May 2014. No Ordinary Shares were purchased pursuant to this authority during the year. In accordance with current best practice, the Company will seek to renew this authority at the forthcoming Annual General Meeting.

Substantial Interests

The Company has been notified under the Disclosure and Transparency Rules of the following interests in the voting rights attaching to the Company's issued share capital as at 20 May 2015.

Lansdowne Partners International	8.15%
Charles Wilson	6.17%
Prudential Plc	4.96%
Schroder Investment Management	4.89%
Ameriprise Financial Inc	4.70%
Artemis Investment Management	4.36%
Cazenove Capital Management	3.95%
Aviva Plc	3.95%
Legal & General Group Plc	3.12%
Norges Bank	3.07%

Ethical Code

Details of the Group's Ethical Code can be found at www.bookergroup.com, the Group's website.

Disability

The Group is an equal opportunities employer. Applications for employment and promotion of disabled persons are treated on the same basis as those from other applicants. The Group's policy is to provide opportunities for the training, career development and promotion of disabled persons and to seek to continue the employment of, and to arrange training for, employees who have become disabled during the period when they were employed by the Group.

Going Concern

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Group's and Company's financial statements. Further information in relation to the Directors' assessment of going concern is contained in note 1f to the financial statements.

Disclosure of Information to Auditor

Each of the Directors who held office at the date of approval of this Directors' Report confirms that, so far as he or she is aware, there is no relevant audit information of which the Company's Auditor is unaware and that he or she has taken all the steps that he or she ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Auditor

KPMG LLP have expressed their willingness to continue in office and a resolution will be proposed at the Annual General Meeting for their reappointment as the External Auditor to the Company.

By Order of the Board.

Mark Chilton

Company Secretary

DIRECTORS AND OFFICERS



Richard Rose (Age: 59)

Non-Executive Chairman

Richard was an Executive Director and Chairman of Blueheath Holdings plc ('Blueheath') immediately prior to the reverse acquisition of Blueheath by the Booker Group in 2007 and became Non-Executive Chairman of the Company upon completion of the merger. He is also Non-Executive Chairman of Anpario plc, AO World Plc, Crawshaw Group plc, Marlow Retail Limited and Quindell plc.

Richard was formerly Chief Executive of Whittard of Chelsea plc, a director of Hagemeyer (UK) Ltd, Non-Executive Chairman of AC Electrical Wholesale Ltd and Executive Chairman of Hephire Group plc.



Jonathan Prentis (Age: 53)

Group Finance Director

Jonathan qualified as a chartered accountant with Deloitte. He was appointed as Group Finance Director of Booker in 2005. Prior to this appointment, Jonathan was Finance Director of Group Logistics within The Big Food Group plc. Prior to 2003, he was with TDG plc.



Bryn Satherley (Age: 54)

Operations Director

Bryn is Operations Director responsible for property, IT, logistics and supply chain of the Booker Group. Bryn was at Booker plc between 1999 and 2001 and rejoined Booker in 2005. Prior to 1999 he was at Exel plc and was on the board of Alldays Ltd.



Charles Wilson (Age 49)

Chief Executive

Charles started his career in 1986 with Procter and Gamble following which he was a consultant with OC&C Strategy Consultants and a Director of Abberton Associates. In 1998 he became an Executive Director of Booker Group plc which merged with Iceland plc in 2000. In 2001 he became an Executive Director of Arcadia Group plc and in 2004 he became an Executive Director of Marks and Spencer Plc. In 2005 he was appointed as Chief Executive of Booker.



Guy Farrant (Age: 53)

Managing Director – Booker Wholesale

Guy is Managing Director of the Group's UK cash and carry business. Guy has a wealth of food experience having worked in the food industry for 25 years rising to be Director of Food and, latterly, Operations and Retail Director at Marks and Spencer plc.



Mark Chilton (Age: 52)

Company Secretary

Mark acts as Company Secretary and General Counsel to the Group and was appointed to his present role in June 2007. Mark qualified as a solicitor in 1987. Mark was appointed as Company Secretary of the Booker Group in 2006. Previously, he was head of legal at the Big Food Group plc. Prior to that, he was at The Greenalls Group Plc.



Lord Bilimoria CBE, DL (Age: 53)
Non-Executive Director and Senior Independent Director

Karan Bilimoria is the founder of Cobra Beer, Chairman of the Cobra Beer Partnership Limited (a joint venture between Molson Coors Brewing Company (UK) Ltd and Bilimoria Holdings Ltd), and Chairman of Molson Coors Cobra India (a joint venture between Cobra Indian Beer Pvt. Ltd and Molson Coors Brewing Company). Karan is an independent Crossbench Peer in the House of Lords.

He qualified as a chartered accountant with Ernst & Young and graduated in law from the University of Cambridge. He is an honorary fellow of Sidney Sussex College Cambridge.



Stewart Gilliland (Age: 58)
Non-Executive Director

Stewart is currently a Non-Executive Director of C&C Group Plc, Mitchells & Butlers plc, Sutton and East Surrey Water Plc and Vianet Group plc. He is also a director of Nature's Way Foods Ltd and Tulip International (UK) Ltd.

Stewart was formerly Chief Executive of Muller Dairies UK and Ireland and has held senior roles with leading consumer facing companies, including Whitbread and Interbrew.



Karen Jones CBE, (Age: 58)
Non-Executive Director and Chairman of Remuneration Committee

Karen is a founder and Chairman of Food and Fuel Ltd, a hospitality company. Karen is a Non-Executive Director of ASOS Plc. She is also a Non-Executive Director of Cofra AG, Corbin and King Ltd, Firmenich International and Chairman of Hawksmoor Ltd. She is also on the Board of RNTE (Royal National Theatre Enterprises Board).

Karen was formerly CEO of Spirit Group Ltd, a private equity-backed 2,000 strong pub and restaurant group. Prior to Spirit, Karen founded, grew and floated The Pelican Group Plc, owner of a number of restaurant chains including Café Rouge. Karen was awarded a CBE in 2006 for services to hospitality, and an honorary doctorate from the University of East Anglia in July 2013.



Helena Andreas (Age: 40)
Non-Executive Director

Helena was appointed as Head of Group Marketing and Communications for Nordea Bank in 2014. Formerly she was Group Head of Retail & Distribution at Vodafone Group.

Prior to joining Vodafone Helena held senior positions in marketing and operations at Tesco Group plc and previously was a business consultant at Accenture. Helena holds an MBA from INSEAD. Helena is a Non-Executive Director of Extenda, a leading supplier of retail POS systems.



Andrew Cripps (Age: 57)
Non-Executive Director and Chairman of Audit Committee

Andrew is currently Non-Executive Deputy Chairman of Swedish Match AB. He is also Senior Independent Director and Chairman of the Audit Committee of Boparan Holdings Limited and Chairman of the Audit Committee of Stock Spirits Group plc.

Andrew spent twenty years with Rothmans International and British American Tobacco Plc. He read Economics at the University of Cambridge prior to qualifying as a Chartered Accountant with KPMG.

CORPORATE GOVERNANCE REPORT

Compliance with the UK Corporate Governance Code

Throughout the year ended 27 March 2015 and to the date of this document, the Company complied with the provisions and applied the Main Principles of the UK Corporate Governance Code 2012 (the 'Code').

This Corporate Governance Report, together with the Audit Committee Report, the Nomination Committee Report and the Remuneration Report, describes how the Company has complied with the provisions of the Code.

The Role of the Board and its Committees

The Company is led and controlled by the Board of Directors (the 'Board') chaired by Richard Rose. The Board currently consists of four Executive Directors and six Non-Executive Directors.

Richard Rose was an Executive Director and Chairman of Blueheath immediately prior to the reverse acquisition of Blueheath by the Booker Group in 2007 and became Non-Executive Chairman of the Company upon completion of the merger. The Group's combined business is significantly different to and larger than Blueheath and there is a division of responsibilities between Richard and the Executive Directors and, in particular, Charles Wilson as Chief Executive, such that his current and former roles can be considered incomparable. Having regard to all the circumstances, including the independence Richard has demonstrated as Chairman, the Board is satisfied and has determined that Richard is independent.

Consequently, all the Non-Executive Directors are considered by the Board to be independent of management and free from any business or other relationship that could materially interfere with the exercise of their independent judgement in accordance with the Code. The independence of Non-Executive Directors is considered at least annually and is based on the criteria suggested in the Code. The Non-Executive Directors provide constructive challenge and bring independence to the Board and its decision making process.

The Board believes that it is appropriate to have a Senior Independent Non-Executive Director and Lord Bilimoria fulfils this role. He is available to shareholders where concerns have not been resolved through the normal channels and for when such contact would be inappropriate.

The Board believes that it has sufficient members to contain a balance of skills and experience, but it is not so large as to be unwieldy. The Board contains a balance of Executive and Non-Executive Directors such that no individual, or group of individuals can dominate the Board's decision making. No one individual has unfettered powers of decision.

Details of the skills and experience of the Directors are contained in the Directors' biographies on pages 18 and 19.

The Board meets regularly on at least twelve scheduled occasions during each year and more frequently if necessary. There were twelve Board meetings, eight Audit Committee meetings, two Nomination Committee meetings and five Remuneration Committee meetings held in the year under review and the attendance by Directors was as follows:

	Board	Audit	Nomination	Remuneration
Executive				
Charles Wilson ^{a b c}	12/12	7/8	2/2	5/5
Jonathan Prentis ^a	12/12	8/8	–	–
Mark Aylwin ^e	12/12	–	–	–
Guy Farrant	12/12	–	–	–
Bryn Satherley	12/12	–	–	–
Non-Executive				
Richard Rose ^{a c}	12/12	3/8	2/2	4/5
Lord Bilimoria ^d	12/12	8/8	2/2	5/5
Helena Andreas ^d	12/12	–	–	–
Andrew Cripps ^d	12/12	8/8	2/2	5/5
Stewart Gilliland ^d	12/12	7/8	–	–
Karen Jones ^d	12/12	–	2/2	5/5

^a Not a member of the Audit Committee but attended by invitation

^b Not a member of the Nomination Committee but attended by invitation

^c Not a member of the Remuneration Committee but attended by invitation

^d Independent Non-Executive Director

^e Resigned on 1 April 2015

The Board is responsible to shareholders for ensuring that the Group is appropriately managed and that it achieves its objectives. The Board has adopted a formal schedule of matters specifically reserved for decision by it, thus ensuring that it exercises control over appropriate strategic, financial, operational and regulatory issues. At its meetings, the Board reviews trading performance, ensures adequate financing, sets and monitors strategy, examines investment and acquisition opportunities and discusses reports to shareholders. Matters not specifically reserved for the Board and its committees under its schedule of matters and the committees' terms of reference, or for shareholders in general meeting, are delegated to members of the Executive Committee.

It is the Company's policy that the roles of the Chairman and Chief Executive are separate, with their roles and responsibilities clearly divided and set out in writing. The Chairman's main responsibility is the leadership and management of the Board and its governance. The Chairman's commitment to the Company is usually two days per month. His other significant commitments are disclosed in his biography on page 18. The Board considers that these commitments do not hinder his ability to discharge his responsibilities to the Company effectively.

The Chief Executive is responsible for the leadership and day-to-day management of the Group. This includes formulating and recommending the Group's strategy for Board approval in addition to executing the approved strategy.

Recommendations for appointments to the Board are made by the Nomination Committee. The Committee follows Board approved procedures (available on our website) which provide a framework for the different types of Board appointments on which the Committee may be expected to make recommendations. Appointments are made on merit and against objective criteria with due regard to diversity (including skills, experience and gender). Non-Executive appointees are also required to demonstrate that they have sufficient time to devote to the role.

Information and Professional Development

Directors are continually updated on the Group's businesses, the markets in which they operate and changes to the competitive and regulatory environment through briefings to the Board and meetings with senior executives. Board visits to Group business locations enable the Directors to meet with local management and employees and to update and maintain their knowledge and familiarity with the Group's operations.

Non-Executive Directors are also encouraged to visit Group operations throughout their tenure to increase their exposure to the business.

The Chairman is responsible for ensuring that Directors receive accurate, timely and clear information. The provision of information to the Board was reviewed during the year as part of the performance evaluation exercise referred to below. To ensure that adequate time is available for Board discussion and to enable informed decision making, briefing papers are prepared and circulated to Directors in the week prior to scheduled Board meetings. All Non-Executive Directors are encouraged to make further enquiries as they feel appropriate of the Executive Directors and executives. In addition, Board committees are provided with sufficient resources and the power to co-opt such additional support as they may require from time to time, to undertake their duties.

All Directors are entitled to receive independent professional advice at the Company's expense and have access to the services of a professionally qualified and experienced Company Secretary, who is responsible for information flows to the Board and advising the Board on corporate governance matters. This ensures compliance with Board procedures and applicable laws and regulation. The Board has responsibility for the appointment and removal of the Company Secretary.

On appointment, individual Directors undergo an induction programme covering, amongst other matters:

- the business of the Group;
- their legal and regulatory responsibilities as directors of the Company;
- briefings and presentations from Executive Directors and senior executives;
- opportunities to visit business operations.

CORPORATE GOVERNANCE REPORT CONTINUED

Performance Evaluation

An external evaluation process was conducted by the Institute of Directors in April 2013. The next externally facilitated board evaluation will be conducted in April 2016.

During the year, the Board conducted an evaluation of its own performance and that of its three principal committees. The individual performance of the Non-Executive Directors was also evaluated through one to one interviews with the Chairman. In April 2015, each Director completed a questionnaire prepared by the Chairman and the Company Secretary to rate the collective performance of the Board and its committees. The Company Secretary collated the evaluation results and the Chairman then reviewed an unattributed executive summary, highlighting key outcomes. A report of the findings was then presented to and discussed by the Board. No actions were considered necessary as a result of these evaluations and the Chairman confirms that each Director continues to make a valuable contribution to the Board and, where relevant, its Committees and devotes sufficient time to the role.

During the year, the Chairman and the Non-Executive Directors met in the absence of the Executive Directors. There was also one meeting of the Non-Executive Directors chaired by the Senior Independent Non-Executive Director at which the Chairman was not present in order to appraise the Chairman's performance. The Senior Independent Director provided feedback to the Chairman of this review.

Board Committees

The Board has established an Audit Committee, a Nomination Committee and a Remuneration Committee to oversee and debate issues of policy outside main Board meetings. Throughout the year, the Chairman of each committee provided the Board with a summary of key issues considered at the committee meetings. Board committees are authorised to engage the services of external advisers as they deem necessary in the furtherance of their duties at the Company's expense.

The Audit Committee Report is on pages 25 to 29, the Nomination Committee Report is on pages 30 to 33 and the Remuneration Report is on pages 34 to 54.

Re-election of Directors

All Directors are required by the Company's Articles of Association to submit themselves to shareholders for re-election at the first Annual General Meeting after their appointment and thereafter by rotation at least once every three years. In accordance with the Code all directors will, however, stand for re-election annually.

Relations with Shareholders

In fulfilling their responsibilities, the Directors believe that they govern the Group in the best interests of shareholders, whilst having due regard to the interests of other stakeholders in the Group including customers, employees and suppliers.

The Code encourages a dialogue with institutional shareholders based on the mutual understanding of objectives. The Executive Directors have regular and ongoing communication with major shareholders throughout the year, by participating in investor roadshows and presentations to shareholders. Feedback from these visits is reported to the Board. The Executive Directors also have regular contact with analysts and brokers. The Chairman, Senior Independent Non-Executive Director and other Non-Executive Directors receive reports on matters raised at the meetings with shareholders and are offered the opportunity to attend meetings with major shareholders. As a result of these procedures, the Non-Executive Directors believe that they are aware of shareholders' views. During the year, the Chairman met with one shareholder. In addition, Lord Bilimoria, the Senior Independent Non-Executive Director, is available to meet with major shareholders.

Arrangements can also be made through the Company Secretary for major shareholders to meet with newly appointed Directors.

The Group maintains a website at www.bookergroup.com which is regularly updated and contains information about the Group.

The Code encourages boards to use the Annual General Meeting to communicate with investors and to encourage their participation. In compliance with the Code, the Board welcomes as many shareholders as possible to attend the Annual General Meeting to discuss any interest or concern, including performance, governance or strategy, with the Directors.

All Directors are expected to attend the Annual General Meeting. The Chairs of the Audit, Nomination and Remuneration Committees are available at the Annual General Meeting to answer shareholder questions, through the Chairman of the Board, on the responsibilities and activities of their Committees. Shareholders also have the opportunity to meet with the Directors following the conclusion of the formal part of the meeting.

In compliance with the Code, at the Annual General Meeting, the Chairman will announce the level of proxies lodged on each resolution, the balance for and against and abstentions, and such details will be placed on the Group's website following the meeting. A separate resolution will be proposed at the Annual General Meeting in respect of each substantially separate issue.

Directors' Conflicts of Interest

In accordance with the Company's Articles of Association and section 175 of the Companies Act 2006, formal procedures for the notification and authorisation of potential and actual conflicts of interest have been approved by the Board.

These procedures, which enable the Directors to impose limits or conditions when giving or reviewing authorisation, ensure that only Directors who have no interest in the matter being considered can authorise conflicts, and require the Board to review the register of Directors' conflicts annually and on an ad-hoc basis when necessary. Any potential conflicts of interest in relation to newly appointed Directors are considered by the Board prior to appointment. These procedures have operated effectively throughout the current financial period.

Internal controls and risk management

The Board attaches considerable importance to, and acknowledges its responsibility for, the Group's systems of internal control and risk management and receives regular reports on such matters. The Board's policy is to have systems in place which optimise the Group's ability to manage risk in an effective and appropriate manner. The Board has delegated to the Executive Committee detailed responsibility for identifying, evaluating and monitoring the risks facing the Group and for deciding how these are to be managed. In addition to formal reviews of risk management by the Executive Committee, members are expected to report to the Executive Committee as necessary the occurrence of any material control issues, serious accidents or events that have had a major commercial impact, or any significant new risks which have been identified. Such matters are reported to the next Board meeting and/or Audit Committee meeting as appropriate.

The Group also has in place systems and procedures for exercising control and managing risk in respect of financial reporting and the preparation of consolidated accounts which are monitored by the Audit Committee on the Board's behalf and reviewed annually by the Board. These include:

- the formulation and deployment of Group accounting policies and procedures;
- Group policies governing the maintenance of accounting records, transaction reporting and key financial control procedures;
- monthly operational review meetings which include, as necessary, reviews of internal financial reporting issues and financial control monitoring; and
- ongoing training and development of financial reporting personnel.

The Group's systems and procedures are designed to identify, manage and, where practicable, reduce and mitigate the effects of the risk of failure to achieve business objectives. They are not designed to eliminate such risk, recognising that any system can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board formally reviews the operation and effectiveness of the Group's system of internal controls on an annual basis. The latest review covered the financial year to 27 March 2015. No significant failings or weaknesses were identified from this review. The Board has a process for identifying, evaluating and managing the risks faced by the Group. This process is continual and has been in place for the year under review up to the date of this report, and is regularly reviewed by the Board in accordance with relevant guidance. There is an established framework of internal controls, which is set out in procedures approved by the Board and which include financial, operational and compliance controls and risk management. These procedures are readily accessible to staff, who follow their guidance. The more important elements of this framework are as follows:

Management structure

The Board has overall responsibility for the Company and the Executive Committee has responsibility for specific aspects of the Group's affairs. The Board and each of its committees operate under a schedule of matters or terms of reference and the Board determines how the Chief Executive and the Executive Committee may operate within a framework of delegated authorities and reserved powers which seek to ensure that certain transactions which are significant in terms of their size or type, are undertaken only after Board review.

The Executive Committee is chaired by Charles Wilson (Chief Executive) and comprises Jonathan Prentis (Group Finance Director), Guy Farrant (Managing Director – Booker Wholesale), Bryn Satherley (Operations Director), Mark Chilton (Company Secretary and General Counsel) and other senior executives representing the operational functions within the Group. It meets twice a month to discuss operational matters, compliance, health and safety and trading performance.

Corporate accounting and procedures

Responsibility levels are communicated throughout the Group as part of the corporate communication procedure. Accounting, delegation of authority and authorisation levels, segregation of duties and other control procedures, together with the general ethos of the Group are included in these communications, and standardised accounting policies are in place reflecting this policy. These procedures are subject to review to ensure that improvements to enhance controls can be made.

CORPORATE GOVERNANCE REPORT CONTINUED

Quality and integrity of personnel

The integrity and competence of personnel is ensured through high recruitment standards and subsequent training. Quality personnel are seen as an essential part of the control environment and the ethical standards expected are communicated through senior members of staff.

Budgetary process

Each year the Board approves the annual budget, which includes an assessment of key risk areas. Performance is monitored and relevant action taken throughout the year by regular reporting to the Board of updated forecasts together with information on key risk areas.

Risk management

The Board assesses risk management throughout the Group aided by detailed reviews of internal controls and risk management procedures. The Group's risk register is reviewed by the Board as part of annual strategic planning and budgetary cycles.

Investment appraisal

Capital expenditure is regulated by the use of authorisation levels. For all expenditure beyond specified levels, Board approval is required.

Internal audit

The Group's internal audit function, which reports to the Group Finance Director and Chairman of the Audit Committee, monitors the effectiveness of key internal controls and the adequacy of these controls to manage business risk and to safeguard the Group's assets and resources, in accordance with a work plan approved and monitored by the Audit Committee. Its conclusions are communicated to the relevant level of management and the function has a direct reporting responsibility to the Audit Committee. This report was approved by the Board of Directors on 20 May 2015.

Mark Chilton

Company Secretary

AUDIT COMMITTEE REPORT



Chairman's Introduction to the Audit Committee Report

I am pleased to report on the activities of the Committee for the year ended 27 March 2015.

This report sets out the Committee's findings and recommendations, including those in relation to the areas highlighted in the Code, particularly in:

- Reviewing the effectiveness of internal financial controls, of internal audit and of financial risk management systems;
- Monitoring the integrity of the financial statements and reviewing judgements relating thereto;
- Safeguarding the objectivity and independence of the external audit and monitoring its effectiveness; and
- Recommending appointment of the external auditor and determining their remuneration.

We reported last year that we intended to tender the external audit engagement no later than for the year ending March 2017. Our preparations for the tender process are underway now that the UK Competition and Markets Authority's final Order and the EU regulation relating to statutory audit services have been published. We will report on the process and outcome of the tender in next year's annual report. In parallel with the audit tender process, the Committee intends to review our policy on non-audit services provided by the External Auditor to ensure that the External Auditor continues to be free from any perceived conflict of interest in accordance with the EU Regulation.

We noted media concern surrounding the recognition of rebates and similar income received by other companies operating in the grocery sector from their suppliers during the year. Such types of income are of financial significance to the Group and are therefore tightly controlled. Nevertheless, the Committee commissioned a thorough review and remains satisfied with the treatment of, and controls over, such items as is explained in this report.

I will be available to shareholders at the forthcoming AGM to answer any questions relating to the role of the Committee. On behalf of the Board.

Andrew Cripps

Chairman of the Audit Committee

20 May 2015

AUDIT COMMITTEE REPORT CONTINUED

Role and Responsibilities of the Committee

The Committee supports the Board in fulfilling its responsibilities in relation to financial reporting; monitoring the integrity of the financial statements and other announcements of financial results published by the Group; and reviewing and challenging the judgements and actions of management in relation to the financial statements. The Committee reviews the effectiveness of the Group's internal financial control and financial risk management systems and the effectiveness of the Group's internal audit function. On behalf of the Board, the Committee manages the appointment and remuneration of the external auditor and monitors their performance and independence. The Group supports an independent and confidential whistleblowing procedure and the Committee monitors the operation of this facility.

In accordance with the Code, the Board requested that the Committee advise whether it believes the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

The Committee's Terms of Reference reflect this requirement and can be found in the Investor Relations/Investor Centre/Legal Documents section of the Group's website. A copy may be obtained from the Company Secretary.

Membership

The Committee is chaired by Andrew Cripps and, during the year, also comprised Lord Bilimoria and Stewart Gilliland. All members of the Committee are and were considered by the Board to be independent.

The Committee members have been selected to provide the wide range of financial and commercial expertise necessary to fulfil the Committee's duties and responsibilities. Andrew Cripps, who is a Chartered Accountant, is considered by the Board to have recent and relevant financial experience, as required by the Code. He also has substantial and recent audit committee experience and ensures that the Committee remains abreast of accounting and regulatory developments. Lord Bilimoria is also a Chartered Accountant and Stewart Gilliland has substantial relevant commercial experience. Details of the skills and experience of the Directors are contained in the Directors' biographies on pages 18 and 19.

The Committee has access to the Group's finance team, to its internal audit function and to its External Auditor and can seek further professional training and advice, at the Group's cost, as appropriate.

The quorum necessary for the transaction of business is two, each of whom must be a Non-Executive Director. Only members of the Committee have the right to attend Committee meetings, however, during the year, Richard Rose, Chairman, Charles Wilson, Chief Executive, Jonathan Prentis, Group Finance Director, the Head of Internal Audit, members of our trading and finance teams and representatives from KPMG LLP, the External Auditor, were invited to attend meetings. The Committee also meets separately with the Head of Internal Audit and the External Auditor without management being present.

The Company Secretary is Secretary to the Audit Committee.

Meeting Frequency and Main Activities in the Year

The Committee met on four scheduled occasions during the year ended 27 March 2015. In addition there were four meetings by conference call to review quarterly trading statements for recommendation to the Board. All members of the Committee attended every scheduled meeting and meetings by conference call except Stewart Gilliland, who was unable to attend a Committee meeting by conference call due to a prior business commitment. The members' attendance record was as follows:

Committee member	Number of meetings attended	Percentage attendance
Andrew Cripps (Chairman)	8/8	100%
Lord Bilimoria	8/8	100%
Stewart Gilliland	7/8	88%

During the year ended 27 March 2015, the Committee reviewed and made recommendations to the Board on the Preliminary Results Announcement for the period to 28 March 2014, the 2014 Annual Report and Accounts, the Interim Results Announcement for the period to 12 September 2014 and Interim Management Statements in the twelve weeks to 28 March 2014, the twelve weeks to 20 June 2014, the twelve weeks to 12 September 2014 and the sixteen weeks to 2 January 2015.

Since 27 March 2015, the Committee has met three times to review and make recommendations to the Board on the Interim Management Statement for the twelve weeks to 27 March 2015, the Preliminary Results Announcement for the period to 27 March 2015 and the 2015 Annual Report and Accounts.

In carrying out its reviews during the year, the Committee considered:

- whether the Group had applied appropriate accounting policies and practices both on a year on year basis and across the Group;
- the significant areas in which judgement had been applied in preparation of the financial statements in accordance with the accounting policies set out on pages 64 to 69;
- reports from the Group Finance Director and the External Auditor;
- the clarity and completeness of disclosures and compliance with relevant financial reporting standards and corporate governance and regulatory requirements; and
- whether the Annual Report and Accounts, taken as a whole, was fair, balanced and understandable and provided the information necessary for shareholders to assess the Group's performance, business model and strategy.

The Committee also:

- approved the Internal and External Auditor's work plans for the Group;
- considered regular reports from the Head of Internal Audit on their findings including additional work requested by the Committee concerning the recognition of income from suppliers;
- reviewed the Committee's Terms of Reference;
- reviewed the External Auditor's independence and objectivity, the effectiveness of the audit process, the re-appointment of the External Auditor and approved the External Auditor's remuneration; and
- approved the appropriateness of the External Auditor providing non-audit services and related fees.

Significant Judgemental Areas

The significant areas of judgement considered by the Committee in relation to the accounts for the year ended 27 March 2015 and how these were addressed are outlined below. Each of these areas received particular focus from the External Auditor, who provided detailed analysis and assessment of the matters in their report to the Committee.

Defined Benefit Pension Scheme Accounting

The Group operates a variety of post employment benefit arrangements, as outlined in note 19 to the financial statements. Although the defined benefit scheme is closed to future accrual, it is sensitive to changes in actuarial assumptions. We challenged the valuations prepared by the Group's pension advisors and, following discussions with management, were satisfied that the judgements exercised were appropriate. During their audit, KPMG LLP evaluated the assumptions and methodologies used by the Group's pension advisors and assessed whether the assumptions made were appropriate and not materially different from external benchmarks. KPMG LLP reported to us on the assumptions used and the way that our schemes had been accounted for.

Property Provisions

The Group has recorded property provisions in the sum of £25.4m as outlined in note 20 to the financial statements, which, by their nature, are uncertain and highly judgemental. We scrutinised the key elements of judgement with management to assure ourselves as to the adequacy and appropriateness of the provisions. Following this review, we were satisfied that the judgements exercised were appropriate. As part of the year end audit, KPMG LLP considered the nature of the provisions, the potential outcomes, any developments relating to specific claims, and the prior history of lease obligations, provisions and claims in order to assess whether the provisions recorded were appropriate.

Following discussions with the External Auditor, and the deliberations set out above, we were satisfied that the financial statements dealt appropriately with each of the areas of significant judgement.

The External Auditor also reported to the Committee on any misstatements that they had found in the course of their work. The Committee noted their work and were satisfied that no material amounts required adjustment.

AUDIT COMMITTEE REPORT CONTINUED

Fair, Balanced and Understandable Assessment

One of the key compliance requirements of a group's financial statements is for the Annual Report and Accounts to be fair, balanced and understandable. The coordination and review of Group wide contributions into the Annual Report and Accounts follows a well established and documented process, which is performed in parallel with the formal process undertaken by the External Auditor.

The Committee received a summary of the approach taken by management in the preparation of the 2015 Annual Report and Accounts to ensure that it met the requirements of the Code and our Terms of Reference. This, and our own scrutiny of the document, enabled the Committee, and then the Board, to confirm that the 2015 Annual Report and Accounts taken as a whole, was fair, balanced and understandable and provided the information necessary for shareholders to assess the Group's performance, business model and strategy.

Internal Controls and Financial Risk Management Systems

The Committee is responsible, on behalf of the Board, for reviewing the effectiveness of the Group's internal financial controls and financial risk management systems.

In carrying out these responsibilities, the Committee reviewed reports issued by both Internal Audit and the External Auditor and held regular discussions with the Group Finance Director, the Head of Internal Audit and representatives of the External Auditor.

The Committee noted media concern surrounding the recognition of rebates and similar income received by other companies operating in the grocery sector from their suppliers. Such types of income are of financial significance to the Group and are therefore tightly controlled, as is evidenced from regular inspections by Internal Audit and their reports to the Committee. Nevertheless, the Committee promptly commissioned a more detailed review including a written report from management, presentations to the Committee from both the trading team and those responsible for recording the terms of trade, and an additional investigation by Internal Audit. The Committee reviewed and challenged the findings of these reports, presentations and investigations and is satisfied that the treatment of such types of income is both prudent and appropriate, and that controls are robust. The treatment of supplier rebates is explained in Note 2, Accounting policies, on page 68.

Internal Audit

The Committee is responsible for monitoring and reviewing the operation and effectiveness of the Internal Audit function including its focus, work plan, activities and resources.

At the beginning of the financial year, the Committee reviewed and approved the Internal Audit plan for the year having considered the principal areas of risk in the business and the adequacy of staffing levels and expertise within the function. During the year, the Committee received regular reports from the Head of Internal Audit summarising findings from the work of Internal Audit and the responses from management to deal with the findings. The Committee monitors progress on the implementation of any action plans arising on significant findings to ensure these are completed satisfactorily and meets with the Head of Internal Audit in the absence of management.

External Audit

It is the responsibility of the Committee to monitor the performance, objectivity and independence of the External Auditor. In February 2015, we met with KPMG LLP, the External Auditor, to agree the audit plan for the year, highlighting the key financial statement and audit risks, to ensure that the audit was appropriately focused. In addition, KPMG LLP's letter of engagement was reviewed by the Committee in advance of the audit.

In May 2015, in advance of the finalisation of the Group's financial statements, we received a report from KPMG LLP on their key audit findings, which included the key areas of risk and significant judgements referred to above, and discussed the issues with them in order for the Committee to form a judgement on the financial statements. In addition, we considered the Letter of Representation that the External Auditor requires from the Board.

We meet with the External Auditor privately at least twice a year to discuss any matters they may wish to raise without management being present.

Assessment of Effectiveness of External Audit

The Committee reviewed KPMG LLP's performance and on-going independence, taking into account input from management, consideration of responses to questions from the Committee and the audit findings reported to the Committee. As part of the process, the Committee reviewed the feedback from the Public Report on the Audit Quality Inspection of KPMG LLP, issued by the FRC in May 2014.

The Committee concluded that the external audit process was operating effectively and KPMG LLP continued to prove effective in its role as External Auditor.

The External Auditor is required to replace its audit partner every five years. The most recent change occurred in the year ended March 2011 and, therefore, the existing partner will rotate after the upcoming AGM and a new partner is required in respect of the financial year ending 25 March 2016. The Chairman of the Committee and the Group Finance Director requested details of the most suitable partners from the External Auditor, conducted interviews and made a joint recommendation which was accepted by the Committee. The criteria used for this process included examining experience of public company audits, work with similar businesses and absence of potential conflicts.

The Committee, having completed the activities outlined, remains confident that the effectiveness, objectivity and independence of the External Auditor is not impaired in any way. There are no contractual restrictions on the choice of External Auditor. The Committee has therefore recommended to the Board and to shareholders that KPMG LLP should be re-appointed as the Company's External Auditor at the AGM on 8 July 2015.

The Committee is mindful, however, of the requirements of the Code that the audit should be put out to tender every ten years, and the UK Competition and Markets Authority's final Order (the 'Order') and the EU Regulation which was published in October 2014 and which will each require mandatory audit tendering (and, as required, rotation) at ten year intervals. The Committee is also mindful of the transitional provisions of the EU Regulation which will require the Company to change its External Auditor prior to 16 June 2016. The current External Auditor was first appointed for the year ended 1 April 2005 and the external audit has not been tendered since then. In order to comply with the transitional provisions of the Order and the EU Regulation, the Committee has notified KPMG LLP of its intention to put the audit out to tender during the current financial year, with a view to the successful audit firm being appointed to audit the Group's financial statements for the year commencing 25 March 2016.

Non-Audit Services

The Committee recognises the potential for any non-audit services to compromise auditor independence and the External Auditor is not permitted to conduct any assignment which may affect objectivity or independence. Subject to this, where it is helpful to the Group for KPMG to provide assistance, the Committee monitors the services provided and fees charged.

Non-audit work comprised the interim review, for which fees of £41,000 were charged, and other small assignments to assist with tax compliance and other matters for aggregate fees of £24,000. The Committee believes that there are sound commercial and practical reasons for this work being conducted by the External Auditor and that it is not of a nature which would affect their independence as External Auditor.

The Committee intends, at the same time as the audit tender, to review its policy on non audit services provided by the External Auditor to ensure that the External Auditor remains free from any perceived conflict of interest.

Whistleblowing Programme

The Group has a whistleblowing programme in all of its operations whereby employees can, in confidence, report on matters where they feel a malpractice has taken or is taking place, or if health and safety standards have been or are being compromised. Additional areas that are addressed by this procedure include criminal activities, improper or unethical behaviour and risks to the environment.

The programme allows employees to raise their concerns with their line manager or, if that is inappropriate, to raise them on a confidential basis. An externally facilitated confidential helpline and confidential email facility are provided to protect the identity of employees in these circumstances. Any concerns are investigated on a confidential basis by the Human Resources Department and/or the Company Secretary and feedback is given to the person making the complaint as appropriate via the confidential email facility. An official written record is kept of each stage of the procedure and reported to the Committee.

Committee Effectiveness

The effectiveness of the Committee is reviewed on an annual basis by both the Board and the Committee itself. Both reviews concluded that the Committee continued to operate effectively and efficiently.

This report was approved by the Board of Directors on 20 May 2015.

Andrew Cripps

Chairman of the Audit Committee

NOMINATION COMMITTEE REPORT



I am pleased to present the Report of the Nomination Committee for 2015. This Report provides shareholders with an overview of the activities carried out during the year.

On 2 April 2015, it was announced that after nine years as Chairman of Blueheath and then Booker Group Plc, I had decided to retire on conclusion of the forthcoming AGM. I should like to thank my fellow directors for all their support over the past nine years and to wish the Company continued success in the future.

In relation to the appointment of my successor as Chairman, Lord Bilimoria, the Company's Senior Independent Director, has chaired the Committee and the Board when dealing with the appointment of my successor as Chairman of the Company. The search is ongoing and it is expected that an announcement will be made as to my successor prior to the forthcoming AGM. To assist it in the search for a new Chairman, the Committee has engaged The Zygos Partnership.

During the year the Committee focused on reviewing the Company's succession plans for appointments to the Board to ensure that an appropriate balance of skills, experience and diversity is achieved and having regard to the need to ensure the progressive refreshing of the Board. This issue was of particular relevance given that Andrew Cripps and Lord Bilimoria will have completed over 9 years of service on the Board in 2016.

As a consequence of this review, we have decided to refresh the composition of our Board and of various Board committees in order to strengthen the Board in advance of any potential retirements and to aid future succession planning. The Committee has engaged The Zygos Partnership to undertake a search for a candidate with the appropriate skills and experience to join the Board as a Non-Executive Director and ultimately to succeed Andrew Cripps as Chairman of the Audit Committee in due course. This search is ongoing.

Separately, membership of this Committee has been refreshed, with Karen Jones being appointed as a member with effect from 4 February 2015. In addition, Lord Bilimoria will replace me as Chairman of the Committee with effect from the conclusion of the forthcoming AGM.

Looking forward, the Committee will continue to review long term succession plans for the Board, with the aim of ensuring that an appropriate balance of skills, experience and diversity is maintained and that there is progressive refreshing of the Board over the next few years.

I will be available to shareholders at the forthcoming AGM to answer any questions relating to the role of the Committee. On behalf of the Board.

Richard Rose

Chairman of the Nomination Committee

20 May 2015

Role and Responsibilities of the Committee

The Committee has defined Terms of Reference which can be found in the Investor Relations/Legal Documents section of the Group's website. A copy may be obtained from the Company Secretary. The Committee is responsible for making recommendations to the Board on the appointment of additional Directors and for reviewing the size, structure and composition (including the skills, knowledge, experience and diversity) of the Board and the membership of Board committees to ensure that they have the necessary range of competencies, knowledge and experience required for the direction and oversight of the business.

Membership

The Committee during the year from 29 March 2014 until 4 February 2015 comprised Richard Rose (Chairman), Lord Bilimoria and Andrew Cripps. From 4 February 2015 the Committee comprised Richard Rose (Chairman), Lord Bilimoria, Andrew Cripps, and Karen Jones. All members of the Committee are considered to be independent Non-Executive Directors. Richard Rose did not chair the Committee when it dealt with the search for and selection of his successor and no other member of the Committee put themselves forward as a potential candidate for the Chairmanship.

No member of the Committee nor any other Director participates in discussions concerning or votes on his or her own re-election or evaluation of his own performance. Details of the skills and experience of the Directors are contained in the Directors' biographies on pages 18 and 19. Their remuneration is set out in the Remuneration Report.

The quorum necessary for the transaction of business is two, each of whom must be a Non-Executive Director. Only members of the Committee have the right to attend Committee meetings, however, during the year, Charles Wilson (Chief Executive) was invited to attend meetings.

The Company Secretary is Secretary to the Committee.

Board Composition/Succession

The Board plans for its own succession, with the support of the Committee.

The Committee remains focused, on behalf of the Board, on Board succession planning for both Executive and Non-Executive Directors.

The Committee aims to ensure that:

- the succession pipeline for senior executive and business critical roles in the organisation is adequate;
- processes are in place to identify potential successors and manage succession activity;
- there is a structured approach to developing and preparing possible successors; and
- processes are in place to identify 'at risk' posts.

NOMINATION COMMITTEE REPORT CONTINUED

Meeting Frequency and Main Activities in the Year

The Nomination Committee met twice during the year ended 27 March 2015 to:

- Review the size, structure and composition of the Board.
- Recommend to the Board that Karen Jones, whose three-year tenure expired in February of this year, be re-appointed as a Non-Executive Director for a further three-year term subject to re-election by shareholders at the forthcoming AGM;
- Recommend to the Board that all of the Directors who have indicated their willingness to stand for re-election be proposed for re-election as Directors at the forthcoming AGM;
- Commence the search for a candidate to succeed Richard Rose as Chairman of the Company from the conclusion of the AGM on 8 July 2015. That search is ongoing;
- Embark on a search for a new Non-Executive Director with appropriate skills and experience who it is intended will ultimately succeed Andrew Cripps as Chairman of the Audit Committee in due course. This search commenced at the beginning of February this year and is ongoing;
- Review the Committee's report within the 2014 Annual Report and recommend its approval to the Board.

In preparing the job specification, assessing the time commitment expected and agreeing the skills and experience desired for a potential successor Chairman, considerable emphasis has been placed on identifying a candidate with considerable/recent experience of the grocery and wholesale/retail sectors generally and the ability to work closely and effectively with the Chief Executive in delivering the Company's strategy whilst providing the necessary degree of independence and challenge. The search for a suitable candidate began within the Board. The search has then been widened through the use of an external agency, The Zygos Partnership. The Zygos Partnership does not have any connection to the Group other than in respect of the provision of these services.

The Chairman's commitment to the Company will usually be two days per month.

To assist it in the search for a new Non-Executive Director, the Committee has again engaged The Zygos Partnership. The Zygos Partnership has been provided with a detailed brief of the desired candidate profile based on merit and against objective criteria (including an assessment of the time commitment expected) and their services are being used to conduct a thorough search to identify suitable candidates. The Committee has been considering a list of potential candidates and the skills, knowledge, independence and diversity in its widest sense (gender, nationality, age, experience, ethnicity and background) which would benefit the Company.

The search for a new Non-Executive Director who it is intended will ultimately succeed Andrew Cripps as Chairman of the Audit Committee is ongoing.

The Company did not use open advertising to search for suitable candidates for the roles of Chairman or Non-Executive Director, as we believe that the optimal way of recruiting for these positions is generally to use targeted recruitment based on the skills and experience required.

The Committee also considered the membership of the Board and each of its Committees. The Committee continues to actively review the long term succession planning process for Directors to ensure the structure, size and composition of the Board and its Committees continues to be effective, thus ensuring appropriate levels of corporate governance and best practice and support for the Company as it pursues its strategy. As part of its review, the Committee considered the performance and independence of Karen Jones, Helena Andreas, Stewart Gilliland, Andrew Cripps and Lord Bilimoria, each of them having confirmed their willingness to stand for re-election at the forthcoming AGM.

Following a rigorous review, the Committee concluded that, notwithstanding Karen Jones, Andrew Cripps and Lord Bilimoria's length of service (over six years as Non-Executive Directors of the Company), they were each still independent in character and judgement and they each continued to devote sufficient time to the Company in order to perform their duties.

The Committee considered that the performance of each of Karen Jones, Helena Andreas, Stewart Gilliland, Andrew Cripps and Lord Bilimoria was effective and accordingly recommended to the Board that they each be proposed for re-election as a Director of the Company at the forthcoming AGM.

Membership of this Committee was also refreshed during the year, with Karen Jones being appointed as a member in February 2015. In addition, Lord Bilimoria will replace Richard Rose as Chairman of the Committee with effect from the conclusion of the forthcoming AGM.

Members' attendance record was as follows:

Committee member	Number of meetings attended	Percentage attendance
Richard Rose (Chairman)	2/2	100%
Lord Bilimoria	2/2	100%
Andrew Cripps	2/2	100%
Karen Jones	2/2	100%

Since 27 March 2015, the Committee has met on three occasions.

Diversity

We value diversity in the Boardroom and see it as a wider topic than simply gender. Our Directors come from different backgrounds and each brings unique capabilities and perspectives to our discussions, with a wide range of professional and geographical backgrounds. We are committed to maintaining a diverse Board. Appointments to the Board and throughout the Group will continue to be made on merit and overall suitability for the role against objective criteria with due regard to the benefits of diversity (including, but not limited to, experience and gender). Whilst the Committee has not determined to set targets for the number of women on the Board, we continue to consider and make appointments based on merit, just as was the case when our first female Director was appointed in 2009. When recruiting, we require any search agency to have signed up to the 'Voluntary Code of Conduct for Executive Search Firms' setting out the seven key principles of best practice to abide by throughout the recruitment process.

Statistical gender diversity employment data for the Group can be found in the Corporate Social Responsibility Report on page 10.

Committee Performance and Effectiveness

The Board additionally undertook an annual review of the Committee's performance and effectiveness and concluded that the Committee operated effectively.

This report was approved by the Board of Directors on 20 May 2015.

Richard Rose

Chairman of the Nomination Committee

REMUNERATION REPORT



I am pleased to present the Report of the Remuneration Committee for 2015, which sets out the remuneration paid to the Directors in the financial year ended 27 March 2015 and the policy for the forthcoming year.

This is my second report under the new regulations for the reporting of directors' remuneration.

The Committee's approach to remuneration is that it should be kept as simple and comprehensible as possible. As such, our Remuneration Policy remains unchanged from last year. The remuneration policies of the Company are intended to ensure:

- Incentives for Executive Directors and executives should be closely linked to performance, thus aligning the interests of Executive Directors, executives and shareholders;
- Executive Directors' rewards should be correlated with those received by other employees of the business; and
- Executive Directors are not rewarded for failure.

The Committee is of the view that we have a structure of reasonable base pay, bonuses and long term incentives which are aligned to growing long term shareholder value. We are satisfied that the outcomes to date have reflected business performance and that the targets set are stretching in the context of the market in which we operate and, if delivered, will have added significant value for shareholders.

Moreover, we believe that the remuneration policy and incentive framework in place is working well to support the Company's strategy and is helping to retain, recruit and motivate our management team.

In the context of our future performance goals the Committee will continue to keep under review the targets attached to PSP awards to be granted in 2015.

We look forward to hearing your views in the future and hope to receive your continued support at this year's AGM.

This Remuneration Report was approved by the Board on 20 May 2015.

Karen Jones

Chairman of the Remuneration Committee

Governance

Role of the Committee

The Remuneration Committee has defined Terms of Reference which were reviewed in November 2013 and can be found in the Investor Relations/Investor Centre/Legal Documents section of the Group's website. A copy may be obtained from the Company Secretary. The Remuneration Committee advises the Board and makes recommendations:

- on the remuneration packages for the Executive Directors and executives including remuneration, share incentives and other benefits;
- on the terms of service contracts with Executive Directors and executives and any compensation arrangements resulting from the termination of an Executive Director or executive's service contract; and
- concerning the grant and vesting of awards under the PSP.

Membership

The Remuneration Committee is chaired by Karen Jones and also comprises Lord Bilimoria and Andrew Cripps, all of whom are independent Non-Executive Directors. Details of the skills and experience of the Directors are contained in the Directors' biographies on pages 18 and 19. Their remuneration is set out later in this Report. The quorum necessary for the transaction of business is two, each of whom must be a Non-Executive Director. Only members of the Committee have the right to attend committee meetings, however, during the year, Richard Rose (Chairman), Charles Wilson (Chief Executive) and the Group Human Resources director were invited to attend meetings (although never during the discussion of any item affecting their own remuneration or employment).

The Company Secretary is Secretary to the Remuneration Committee.

Meeting Frequency and Main Activities in the Year

The Remuneration Committee met five times during the year ended 27 March 2015 to:

- Review achievement of the targets set for the 2015 bonus;
- Review the Remuneration Report for the 2015 financial year;
- Consider the 2015/16 Pay Award Strategy;
- Review Executive Directors' and other executives' remuneration packages;
- Consider auto-enrolment for employees in the Group's pension scheme;
- Approve salary increases for the Executive Directors (excluding Charles Wilson);
- Consider, approve and adopt the performance conditions for 2014/17 and future PSP awards;
- Provide an update upon the Committee Chairman's meetings and conference calls with shareholders; and
- Consider the bonus scheme for 2015/16.

Since 27 March 2015, the Remuneration Committee met on three occasions to:

- Approve the 2015 bonus;
- Approve the Remuneration Report for the financial year ending 27 March 2015;
- Approve the 2015/16 Pay Award Strategy;
- Approve the 2015/16 bonus scheme; and
- Approve the terms of Managing Director, Booker Direct, Mark Aylwin's departure.

Attendance

Committee member	Number of meetings attended	Percentage attendance
Karen Jones (Chairman)	5/5	100%
Lord Bilimoria	5/5	100%
Andrew Cripps	5/5	100%

REMUNERATION REPORT CONTINUED

Key Remuneration Principles

The principles supporting the Executive Directors' reward packages are reviewed each year to ensure that they continue to underpin the Group's strategy.

The Committee's overall policy is to provide competitive and potentially rewarding remuneration packages. The Company wishes to attract, retain and motivate Executive Directors and executives of the requisite quality. Accordingly, the Committee's policy, in a competitive market, is to design remuneration packages which reward Executive Directors and executives fairly for their contribution. The Committee will take into account the pay and employment conditions of other Group employees when determining Executive Directors' remuneration, particularly when determining base salary increases.

Directors' Remuneration Policy

The policy for Executive Directors remuneration, set out below, took effect from the date of the 2014 AGM, and is available to view in the Investor Relations/Investor Centre/Legal Documents section of the Group's website. A copy may be obtained from the Company Secretary.

The Committee considers the remuneration policy annually to ensure that it continues to underpin the Group's strategy. It is, however, intended that the policy set out below will apply for three years from the 2014 AGM.

Future Policy Table

How the reward element supports our strategic objectives	Purpose and link to strategy	Operation	Maximum opportunity	Performance framework
Salary (100% cash)	Recognises the market value of the role and the individual's skill, performance and experience.	<p>Reviewed annually and fixed for 12 months from 1 April.</p> <p>Committee considers:</p> <ul style="list-style-type: none"> • Business and individual performance; • Current remuneration against internal and external benchmarks; and • Average salary increases for the wider Company workforce. <p>When external benchmarking is used, the comparator groups are chosen having regard to:</p> <ul style="list-style-type: none"> • Size – market capitalisation, turnover, profits and the number of employees; • Diversity and complexity of the business. 	<p>Over the policy period, salaries for current Executive Directors will broadly increase in line with the range of increases applying to the employee population, other than where there is a change in role or responsibility, where there are major changes within the Group or where a significant variance to the market arises that warrants a more significant increase, or where the Committee judges that there is a risk in relation to attracting or retaining Executive Directors. Any such changes, should they occur, will be fully explained to shareholders in the next Remuneration Report.</p> <p>Newly promoted or recruited Executive Directors may on occasion have their salaries set below the benchmark policy level while they become established in the role. In such cases, salary increases may be higher than the employee population until the target positioning is achieved.</p>	None

How the reward element supports our strategic objectives	Purpose and link to strategy	Operation	Maximum opportunity	Performance framework
Bonus (100% cash)	Drives and rewards annual performance against financial metrics.	<p>Reviewed annually with target set in line with prior year performance.</p> <p>Payment is determined by the Committee. The Committee may adjust an award upwards or downwards, after application of the performance measures, to take into account any relevant factors including, but not limited to, performance of the Company relative to its competitors and the extent of achievement. Under no circumstances will an award exceed the maximum opportunity stated.</p> <p>Malus applies to bonus. See page 41 for details.</p>	Maximum is 100% of salary.	<p>100% is based on Group EBIT growth year on year.</p> <p>Target measured over one financial year.</p>
PSP (100% shares)	Drives and rewards delivery of sustained long term performance on measures that are aligned with the interests of shareholders.	<p>Annual awards over Company shares, which vest after 3 years, subject to the achievement of corporate performance targets.</p> <p>Reviewed annually. Vesting is confirmed by the Committee after the end of the vesting period. The Committee will review the vesting outcomes of the performance targets at the end of each three-year cycle against an assessment of Group earnings and the quality of financial performance over the period, including sustainable growth and the efficient use of cash and capital. If the Committee determines that the vesting outcomes do not appropriately reflect the financial performance of the Group, it may add to or reduce the number of shares that vests, provided that in no case will an award exceed the maximum opportunity stated.</p> <p>Malus applies to awards. See page 41 for details.</p>	<p>Maximum award for 2014/17 PSP cycle is 150% of salary. The Committee has no current intention to award more than the policy maximum, but if exceptional and unforeseen circumstances arise that warrant it, the Committee has discretion to increase this to 400% of salary under the PSP rules.</p> <p>Any such award will be fully explained to shareholders in the next Remuneration Report.</p>	<p>The measures are as follows:</p> <p>a) 50% absolute TSR performance target:</p> <ul style="list-style-type: none"> • 25% threshold vesting at 8% growth per annum; • maximum vesting for 15% growth per annum; and • straight line vesting in between. <p>b) 50% absolute EPS performance target:</p> <ul style="list-style-type: none"> • 25% threshold vesting at 6% growth per annum; • maximum vesting for 12% growth per annum; and • straight line vesting in between. <p>All targets are measured over a three year performance period.</p>

REMUNERATION REPORT CONTINUED

Future Policy Table continued

How the reward element supports our strategic objectives	Purpose and link to strategy	Operation	Maximum opportunity	Performance framework
ShareSave Scheme	The savings related share option plan provides all employees with an interest in the performance of the Company's shares.	Executive Directors may participate on the same terms as other employees. The option price may be discounted by up to 20% on the date of grant. Accumulated savings may be used to exercise an option to acquire shares.	The maximum savings amount is currently £500 per month over a three year period.	No performance measures are permitted by UK legislation applicable to this type of plan.
Pension	Provides funding for retirement. Helps recruit and retain.	Group defined contribution scheme.	Salary is the only element of remuneration that is pensionable. Current contribution levels are as follows: 6.25% employee contribution (of which 1.25% represents salary sacrifice) with 15% Company contribution. As an alternative to the pension arrangement, pensionable pay may be paid into the Executive Directors personal pension arrangement. Pensionable pay is set at the prior year's basic salary. A salary sacrifice arrangement is in place. Where Directors have reached either the annual or lifetime pension allowance, they will receive an equivalent cash payment in lieu of the pension contribution.	None.
Benefits	Market competitive, consistent with role. Helps recruit and retain.	The Company pays the cost of providing the benefits on a monthly basis or as required for one-off events.	The value of benefits is dependent on market factors. Benefits may include car allowance/company car, life cover, private medical insurance and permanent health insurance for executives and their families, reimbursement of membership fees of professional bodies.	None

Notes to Future Policy Table

Bonus

The Earnings before interest and tax ('EBIT') bonus scheme, which is consistent with the FY14 bonus scheme, covers Executive Directors, executives, branch managers and sales teams, comprising approximately 1,700 colleagues of the Group. The aggregate bonus pool is determined each year by the level of improvement in Group EBIT year on year and no bonus is paid unless there is an improvement. The maximum bonus achievable for an Executive Director is 100% of basic salary. Charles Wilson, Chief Executive, does not participate in this bonus scheme. The Committee views this as appropriate given the alignment with shareholder interests which arise from his significant shareholding in the Company. Payments to Executive Directors are based upon a percentage of basic salary and do not form part of pensionable earnings. The proportion of the bonus pool accruing to Executive Directors is less than 15%.

PSP

The PSP scheme allows Executive Directors and approximately 1,000 employees to receive share awards, subject to the achievement of performance targets set by the Committee, measured over a three year period. Awards are made annually and, other than in exceptional circumstances, will not be more than 150% of annual salary for Executive Directors.

For the 2011/14 PSP cycle, the performance measures were share price based. Details of structure and outcome are set out on page 48.

For the 2012/15, 2013/16 and 2014/17 PSP cycle, the Committee resolved to grant maximum awards at 150% of base salary for the Executive Directors. Vesting for points between Threshold and Maximum is calculated on a straight line basis, as follows:

- 50% of each award will be linked to an Absolute TSR performance target with 25% of this element vesting at 8% growth per annum and rising on a straight line basis with full vesting for 15% growth per annum, when measured over the 3 years from the award date.
- 50% of each award will be linked to an Absolute EPS performance target with 25% of this element vesting for achieving Absolute EPS growth of 6% per annum and rising on a straight line basis with full vesting requiring 12% growth per annum, as measured between March 2012 and March 2015, March 2013 and March 2016 and March 2014 and March 2017.

In setting the TSR performance target, the Committee has taken into account the TSR returns achieved by companies in the FTSE350 commencing with the three year period to May 2002 and then walking forward on a weekly basis with the last data point being the returns of each company through to July 2012.

There is no re-testing of performance targets under the PSP, and awards lapse if they are not met.

The Committee will review the performance measures for the 2015/18 cycle for the Executive Directors (excluding Charles Wilson), in the context of our future performance goals.

REMUNERATION REPORT CONTINUED

Fixed and Variable Pay Mix

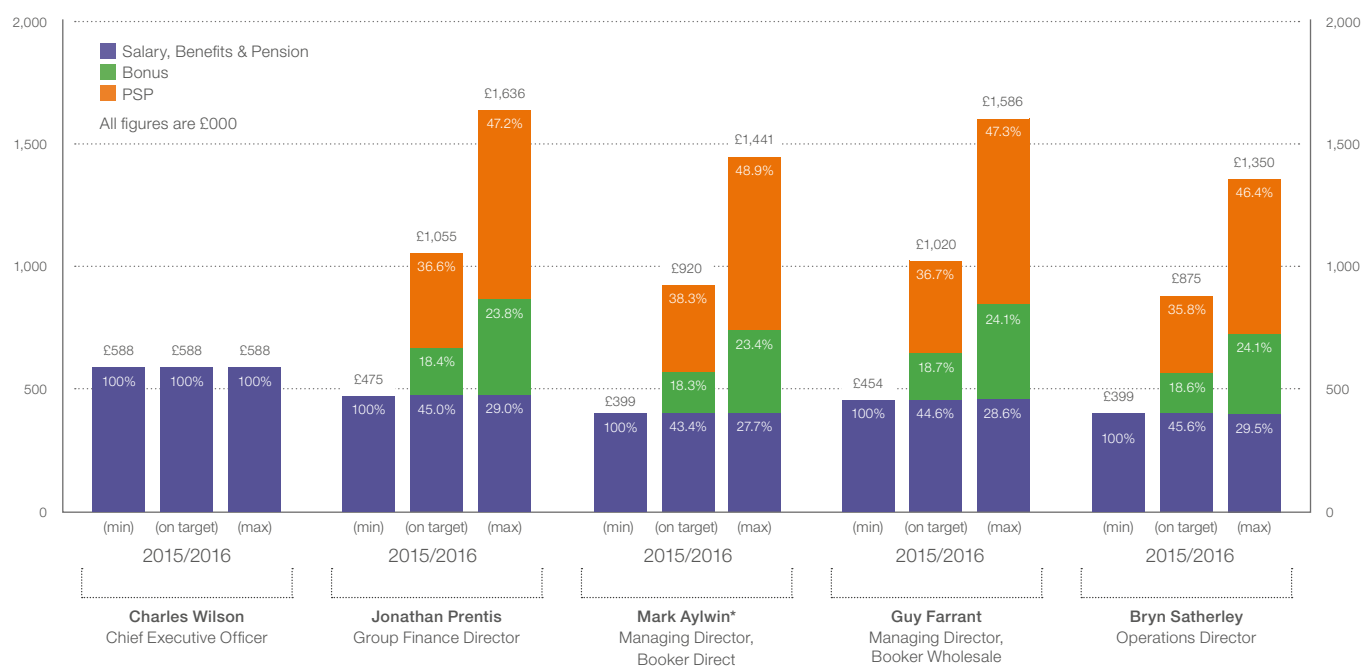
Individual reward elements for all Executive Directors (excluding Charles Wilson, Chief Executive, who does not participate in any incentive schemes) are designed to provide a balance between fixed remuneration and variable 'at risk' reward, linked to the performance of the Company. Charles Wilson, Chief Executive, has chosen from the outset not to participate in the bonus scheme and does not participate in the PSP. The Committee views this as appropriate given the alignment with shareholder interests which arises from his significant shareholding in the Company.

Illustrative scenarios

Below is an illustration of the value that could be received by each Executive Director under the Directors' Remuneration Policy in respect of 2015/16, showing:

- minimum, which comprises base salary, benefits and employer pension contributions only (equivalent to 15% of base salary) (total fixed pay);
- on-target, which includes total fixed pay and assumes an on-target award for the Bonus (50% of salary) and 50% of maximum PSP vesting; and
- maximum, which includes total fixed pay and a maximum award under the Bonus (100% of salary) and 100% of maximum PSP vesting.

The salaries included are those that will apply from 1 April 2015. The benefit values included are estimates. The amounts shown in relation to Bonus and PSP do not take account of any share price appreciation or depreciation and the PSP vesting is calculated using a share price of 147.70p being the closing share price on 27 March 2015.



*Mark Aylwin resigned as a Director on 1 April 2015

Use of Discretion by Remuneration Committee

Malus in Incentive Plans

The Committee has the discretion under both the Bonus scheme and the PSP to claw back bonus and unvested share awards in the following circumstances:

- misconduct that causes significant damage or potential damage to the Company's prospects, finances or brand reputation; and/or
- actions that lead to material misstatement or restatement of accounts.

This feature helps ensure alignment between executive rewards and shareholder returns.

Other Uses of Discretion

The Committee will operate the Company's incentive plans according to their respective rules, the policy set out in the table above and in accordance with the Listing Rules and HMRC rules where relevant.

The Committee retains discretion over a number of areas relating to the operation and administration of the incentive plans. These include, but are not limited to, determining who participates in the incentive plans, the time and size of awards, measurement of performance in the event of a change of control or reconstruction and the adjustments required in certain circumstances (e.g. rights issues, corporate restructuring, on a change of control and special dividends). The discretions that can be applied in the case of leavers under the Bonus and PSP are set out in the section on 'Policy on Payment for Loss of Office' on page 42.

Any exercises of discretion by the Committee will be fully disclosed and explained in the relevant year's Remuneration Report.

The Committee will also use its judgement as to what is appropriate within the terms of the Directors' Remuneration Policy, to make decisions that do not involve the exercise of discretion.

Approach to Recruitment Remuneration

The remuneration of any new Executive Director will be determined in accordance with the Directors' Remuneration Policy and the elements that would be considered by the Company for inclusion are:

- salary and benefits, including defined contribution pension participation and relocation costs, where appropriate;
- participation in the Bonus: pro-rated for the year of recruitment to reflect the proportion of the year remaining after the date of commencement of employment.
- participation in the PSP: awards would be granted on the same terms and subject to the same performance conditions as those which apply to PSP awards granted to existing Executive Directors in the year of recruitment.

The maximum annual level of variable remuneration that may be granted to a newly recruited Executive Director (excluding any awards to compensate for incentives forgone on recruitment) would be in line with that of the existing Executive Directors:

- Bonus award: maximum 100% of salary; and
- PSP award: maximum 400% of salary for a full PSP cycle commencing after appointment, plus pro-rated awards in relation to PSP cycles outstanding at the time of recruitment (up to a further 150% of salary).

In addition, the Committee may, in its discretion, compensate a newly recruited Executive Director for incentives forgone from a previous employment as a result of their resignation. The Committee would seek validation of the value of any potential incentives forgone.

Awards made by way of compensation for incentives forgone would be made on a comparable basis, taking account of performance achieved (or likely to be achieved), the proportion of the performance period remaining and the form of the award. Compensation would, as far as possible, be in the form of awards under the PSP in order to immediately align a new Executive Director with Company performance.

REMUNERATION REPORT CONTINUED

Policy on Payment for Loss of Office

Contractual Notice Period and Pay in Lieu

All current Executive Directors have a rolling service contract with a notice period from the company of 12 months. As an alternative, the Company may, at its discretion, pay in lieu of that notice. Neither notice nor a payment in lieu of notice will be given in the event of gross misconduct.

Payment in lieu of notice could potentially include up to 12 months' salary and the cash equivalent of 12 months' pension contributions, and other contractual benefits. Where possible, the Company will seek to ensure that where a leaver mitigates their losses by, for example, finding new employment, there will be a corresponding reduction in compensation payable for loss of office. The Company's approach to the termination of contracts of service of Executive Directors is dictated by the relevant events, bearing in mind the circumstances of termination and the interests of the Company. A bonus element is not normally included in the termination payment, however, if the Company enforces the non-compete clause, up to 12 months on target bonus will be payable.

An Executive Director may have an entitlement to compensation in respect of their statutory rights under relevant employment legislation in the UK.

Under Charles Wilson's contract, in the event of a change of control of the Company, Charles Wilson has the right to terminate his employment on 30 days' notice and to receive a payment equal to his gross salary for his contractual notice period.

Termination by Mutual Agreement

In certain circumstances it can be in the best interests of the Company for the Board to proactively manage succession planning and the development of the senior talent pipeline. In such circumstances, the Board may agree that an executive's departure will be by mutual agreement. In order for this to apply, the Committee will need to be satisfied that the executive has demonstrated performance in line with expectations and where required they should have contributed to an orderly succession. The Company's experience is that this approach is successful and has previously enabled the Company to recruit a former Executive Director to lead Makro on an interim basis immediately after its acquisition.

An Executive Director terminated by mutual agreement will be treated as a 'good leaver' for the purposes of the Bonus and PSP plans. If the termination date falls during the financial year, they will be eligible to be paid a pro-rated on target bonus and if they are employed at the end of the financial year, the bonus payable would be based on actual results.

Other than as set out above, the Committee does not anticipate using the discretion provided by the Bonus and PSP plan rules in respect of termination payments. There may, however, be unforeseen circumstances where this is in the best interests of the Company and its shareholders. Where such discretion is exercised, explanations will be provided in the next Remuneration Report and will comply with the Company's overall remuneration policy aim that Directors should not be rewarded for failure.

Policy for Determination of Termination Payments

Reason for termination	Salary and contractual benefits	Bonus award for year of termination (including after year end but before payment)	Unvested PSP awards
Good Leaver including: Ill-health/injury/disability Redundancy Retirement Employing company or undertaking transferred outside the Group Other reason determined by the Committee (in the case of PSP only)	Paid up to termination date. Pay in lieu of notice, if applicable.	Pro-rated award for year of termination. ¹ No accelerated payment. ²	Vest on usual vesting date to extent performance conditions met. ³ Number of shares vesting pro-rated to termination date.
Death	Paid up to date of death.	Pro-rated award for year of death paid fully in cash, accelerated. ²	Accelerated vesting: Committee has discretion to determine number of shares vesting, taking into account proportion of performance period elapsed and extent to which performance conditions are satisfied.
Other Leaver including: Resignation Gross misconduct	Paid up to termination date.	No award for year of termination. In case of resignation after financial year end but before award date, cash will be paid. ²	Forfeited. ²

¹ Committee has discretion to pro-rate to a later date (see below).

² Committee has discretion to determine otherwise (see below).

³ Committee has discretion to accelerate vesting (see below).

The Committee would only exercise the discretions available in the Bonus and PSP plan rules relating to:

- whether an award is made or an unvested award forfeited; and
- the extent and timing of any such award or forfeiture in exceptional circumstances, for example permanent disablement.

Notice periods would not usually be included when calculating the pro-rata amount of Bonus and PSP awards that vest. The Committee would only exercise its discretion to include some or all of the notice period in such calculation in exceptional circumstances, such as ill health, and would not do so in circumstances of poor performance.

The Committee has the discretion to determine that an individual should be treated as a Good Leaver for the purposes of the PSP. In exercising such discretion the Committee will consider factors such as personal performance and conduct, overall Group performance and the specific circumstances of the Executive Director's departure including, but not restricted to, whether the Executive Director is leaving by mutual agreement with the Company. If an individual is not a Good Leaver then they will be treated as an Other Leaver, as set out above.

Committee Interaction with Stakeholders

The Committee engages with shareholders on remuneration matters. Discussions were held with a number of shareholders and with shareholder representative organisations over the year.

REMUNERATION REPORT CONTINUED

Legacy Arrangements

The Committee reserves the right to honour any remuneration payments and payments for loss of office not in line with the policy set out above where the terms of those payments were (i) entered into with current or former directors before this policy came into effect or (ii) at a time when the relevant executive was not a Director of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company.

For these purposes 'payments' includes payments of variable remuneration under the Bonus scheme and the PSP in line with the terms of the payment agreed at the time the award was granted.

The Committee may make minor changes to this policy, which do not have a material advantage to Directors, to aid its operation or implementation taking into account the interests of shareholders but without the need to seek shareholder approval.

Consideration of Employment Conditions elsewhere in the Group

The Committee takes into consideration the pay and conditions of employees throughout the Group when determining remuneration for its Executive Directors.

Salary increases for Executive Directors will broadly increase in line with the general workforce other than when there is a change in role or responsibility, or a significant variance to the market arises, warranting a larger increase.

Newly promoted or recruited Executive Directors to the Board may, on occasion, have their salaries set below the benchmark policy level while they become established in role. In such cases, salary increases may be higher than the general workforce until the target positioning is achieved.

Group employees' salaries are compared to cross-industry standards to ensure fair pay for that job. The Company does not directly consult with employees as part of the process of determining Directors' remuneration. While formal comparison measurements were not used in determining Executive Director remuneration, the Committee made decisions in the knowledge of incentive arrangements of the rest of the Group, upon which the Committee is briefed regularly.

Remuneration Policy for Other Employees

The Company's policy on the remuneration of Executive Directors is consistent with that of other senior employees. This group of approximately 1,700 people also participates in and receives payments under the EBIT Bonus scheme. Eligibility to participate in the PSP extends to a similar set of around 1,000 employees in total.

Outside the senior employees' group, the composition of remuneration differs. Of the Group's average 13,000 employees, over 9,000 employees are eligible for a bonus payment based on 'customer satisfaction'. Customer satisfaction is measured independently by calling 10,000 customers selected at random covering retailers, caterers, delivered and collect across our 202 branches each quarter to ask them to rate key areas of service.

Around 1,300 logistics employees are eligible for a quarterly bonus payment based on achieving productivity and efficiency targets at the site at which they are employed.

In addition from time to time certain incentive arrangements may be introduced for executives and colleagues in order to achieve particular objectives.

Eligibility for, and participation in, benefits and incentive plans differs depending on location, seniority, length of service and other factors.

Service Contracts and Notice Periods for Executive Directors

The Committee's policy is for all Executive Directors to have rolling service contracts with a notice period of 12 months. All new appointments will have 12 month notice periods, unless, on an exceptional basis to complete an external recruitment successfully, a longer initial notice period reducing to 12 months is used.

This is in accordance with the UK Corporate Governance Code.

All Executive Directors' appointments and subsequent re-appointments are subject to election and annual re-election by shareholders at the AGM.

Details of Current Executive Directors' Contracts

The table below summarises the service contracts of the Executive Directors.

Copies of the service contracts will be available for inspection at the Company's registered office during business hours and at the 2015 Annual General Meeting.

	Date of appointment	Date of re-election	Notice period (months) by the Company	Notice period (months) by the Director	Unexpired term of contract
Charles Wilson	4 June 2007	9 July 2014	12	9*	Rolling Contract
Jonathan Prentis	4 June 2007	9 July 2014	12	6	Rolling Contract
Guy Farrant	14 October 2010	9 July 2014	12	12	Rolling Contract
Bryn Satherley	12 November 2008	9 July 2014	12	6	Rolling Contract

* In the event of a change of control, Charles Wilson can terminate on 30 days' notice. Further details are set out on page 16.

All Executive Directors will stand for re-election at the 2015 Annual General Meeting.

External Appointments

Executive Directors are not permitted to hold directorships or offices of companies whose shares are listed on a recognised stock exchange and, accordingly, no Executive Director serves as a Non-Executive Director of any such company.

REMUNERATION REPORT CONTINUED

Remuneration Policy for Non-Executive Directors

The policy for Non-Executive Directors will apply for three years from the date of the 2014 AGM, and is available to view in the Investor Relations/Legal Documents section of the Group's website. A copy may be obtained from the Company Secretary.

The Non-Executive Directors do not receive bonuses or pension contributions and are not entitled to participate in any of the Company's share schemes.

Reward element	Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Fees and benefits (100% cash)	Market competitive to attract Non-Executive Directors who have a broad range of skills and experience that add value to our business and help oversee and drive our strategy. Recognises the market value of the role and the individual's skill, performance and experience.	Non-Executive Directors' fees and benefits are set by the Chairman of the Board and Executive Directors; the Chairman's fees are set by the Committee. Fees are reviewed annually and fixed for 12 months from 1 April. Consideration is given to: <ul style="list-style-type: none"> • Business performance; • The time commitment and responsibilities of the role; • Current remuneration against external benchmarks; and • Average salary increases for the wider Company workforce. When external benchmarking is used, the comparator groups are chosen having regard to: <ul style="list-style-type: none"> • Size – market capitalisation, turnover, profits and the number of employees; • Diversity and complexity of the business. An additional fee is paid for acting as chairman of a committee and for representation on a committee.	<ul style="list-style-type: none"> • Fee increases would be in line with median FTSE 350 increases. This may be exceeded where market conditions so warrant. • The Company pays the cost of providing benefits as required. 	<ul style="list-style-type: none"> • Non-Executive Directors are not eligible to participate in any performance related incentive plans.

The Board has determined that the time commitment of Non-Executive Directors should be 12 days per annum, other than the Chairman whose time commitment should be 24 days per annum. The time commitment for Non-Executive Directors is set out in the relevant Non-Executive Director's letter of appointment.

Non-Executive Directors are entitled to be reimbursed for reasonable expenses incurred by them in carrying out their duties as Directors of the Company.

Details of Letters of Appointment and Notice Periods for Non-Executive Directors

Non-Executive Directors have letters of appointment for an initial period of three years subject to termination on one month's notice. In addition, the UK Corporate Governance Code requires that all Non-Executive Directors stand for re-election annually.

Non-Executive Director appointments are also subject to the Articles of Association of the Company.

The table below summarises the dates of appointment and most recent re-election dates for the Chairman and each of the Non-Executive Directors serving as at 27 March 2015.

	Date of appointment as a Non-Executive Director	Most recent date of election or re-election at AGM
Richard Rose ¹	9 May 2007	9 July 2014
Helena Andreas	14 November 2012	9 July 2014
Lord Bilimoria	22 November 2007	9 July 2014
Andrew Cripps	22 November 2007	9 July 2014
Stewart Gilliland	8 December 2010	9 July 2014
Karen Jones	19 February 2009	9 July 2014

¹ Prior to his appointment as a Non-Executive Director, Richard Rose had been Executive Chairman of Blueheath from September 2006.

Copies of the letters of appointment are available for inspection at the Company's registered office during business hours and will be made available for inspection at the 2015 Annual General Meeting.

Annual Report on Directors' Remuneration

The Annual Report on Directors' Remuneration explains how the Directors' Remuneration Policy for 2014 was implemented and the resulting payments to each of the Directors. The notes to the single figure table provide further detail, including measures and outcomes for 2015 where relevant, for each of the elements that make up the total single figure of remuneration in respect of each of the Executive Directors. This report is subject to an advisory vote at the 2015 AGM.

Single Total Figure of Remuneration – Executive Directors (audited information)

Director	Salary £'000 2015	Salary £'000 2014	Taxable Benefits £'000 2015	Taxable Benefits £'000 2014	Bonus £'000 2015	Bonus £'000 2014	PSP (value of shares) £'000 2015	PSP (value of shares) £'000 2014	Pension Benefits £'000 2015	Pension Benefits £'000 2014	Total £'000 2015	Total £'000 2014
Charles Wilson	510	510	1	1	–	–	–	–	77	77	588	588
Jonathan Prentis	389	345	33	31	205	215	838	2,056	53	48	1,518	2,695
Mark Aylwin	337	315	15	22	174	197	737	2,056	47	43	1,310	2,633
Guy Farrant	382	335	22	22	203	209	806	3,475	50	46	1,463	4,087
Bryn Satherley	325	280	32	31	174	175	772	2,056	42	42	1,345	2,584

Notes to Single total figure of remuneration – Executive Directors

- Salary – salary received in the year.
- Taxable benefits – all taxable benefits in kind arising from the individual's employment in 2014/2015.
- Bonus – the bonus relating to the Company's performance in the year ended 27 March 2015, to be paid in July 2015.
- PSP – Based on the share price at the date of actual vesting.
- Pension Benefits – the value of Company contributions to pension plans or any cash allowances paid in lieu of pension contributions.
- No consideration was paid to third parties for making available the services of any person as a Director of the Company during the year.

Salary (audited information)

In 2015, the Committee conducted a review of Executive Director salaries in light of approaches made to Executive Directors. That review confirmed the number of criteria outlined in the Remuneration Policy that must apply in order for a salary increase to be considered had been met, particularly:

- where there is a change in role or responsibility;
- where there are major changes within the Group or where a significant variance to the market arises.

As a consequence, the Committee reviewed basic salaries for the Executive Directors. The Committee revisited the benchmarking undertaken by PwC in April 2012 based on a company with a market capitalisation of £1.5bn (i.e. considerably smaller than Booker's current market capitalisation) and increased the comparator salaries by 6% to reflect the 2 years that had passed since that benchmarking report. Based on that benchmarking information, the Committee approved salary increases of circa 10% for each of the Executive Directors (excluding Charles Wilson).

Whilst these increases are significant, the Committee considers that the increases are fully necessary to ensure the Company continues to prosper in a challenging trading environment.

REMUNERATION REPORT CONTINUED

Bonus (audited information)

The level of pre-bonus earnings before interest and tax ('EBIT') achieved in 2015 gave rise to the following awards to the Executive Directors:

Director	EBIT award as % of salary
Jonathan Prentis	51.98%
Mark Aylwin	51.98%
Guy Farrant	51.98%
Bryn Satherley	51.98%

The EBIT bonus scheme covers approximately 1,600 colleagues, including the Executive Directors (other than Charles Wilson). The scheme has been in operation since 2007 (albeit that up to 2012 it was based on increases in earnings before interest, tax, depreciation and amortisation) and is targeted on increasing the Group EBIT year on year. The Group EBIT increase of £19.9m to £140.3m resulted in a bonus being awarded to Executive Directors of 51.98% of salary. The maximum bonus payable under the scheme to Executive Directors was 100% of salary, had the Group EBIT exceeded £187.0m, an uplift on prior year of £60.3m. If EBIT had not increased year on year no bonus would have been paid. Bonus is paid on basic salary as at 31 March each year. The proportion of the total scheme bonus pool accruing to Executive Directors was less than 15%, in accordance with the Company's Directors' Remuneration Policy.

Bonus payments awarded to each Executive Director, other than Charles Wilson who received no bonus, as a proportion of salary in the three previous financial years:

Financial Year	Bonus Payment
2014	61.20%
2013	55.26%
2012	58.16%

Share Incentives (audited information)

The performance measures for each three year PSP cycle are set by the Committee. Awards are made annually and eligible employees will receive shares at the end of the cycle, subject to achievement of the performance measures.

a) PSP Options Granted in 2011

In November 2011, the Company granted options under the PSP in relation to a total of 7.0m new Ordinary Shares. The options vested and became exercisable three years from the date of the award subject to continued employment and the performance conditions being satisfied. The performance conditions specified that a fifth of each option would vest upon reaching each of the share prices of 85.8p, 89.4p, 100.1p, 128.7p and 153.0p, in each case sustained over a consecutive 60-day period. All five share price conditions were met in full. The options will lapse if not exercised within ten years of the date of award.

Performance Measure	Threshold performance	Additional performance	Maximum Performance	Value of PSP awards – % of salary	PSPs vested in 2014	Exercisable from
Share Price	85.8p	89.4p/100.1p/ 128.7p	153.0p	150%	All targets met	November 2014

b) PSP Options Granted in 2012

Executive Director	Award Date	Maximum Shares Awarded	Price per Share at Grant ¹	Face Value of Award at Grant	Number of Shares received if Threshold Performance Achieved
Jonathan Prentis	22-Nov-12	522,622	£0.990	£517,396	130,655
Mark Aylwin	22-Nov-12	477,176	£0.990	£472,404	119,294
Guy Farrant	22-Nov-12	507,473	£0.990	£502,398	126,868
Bryn Satherley	22-Nov-12	424,157	£0.990	£419,915	106,039

¹ The price at grant was calculated using the average mid-market closing price on the three days immediately preceding grant.

In November 2012, the Company made awards under the PSP in relation to a total of 6.3m new Ordinary Shares.

The options granted will vest and become exercisable three years from the date of award, subject to continued employment and the performance conditions outlined below being satisfied and will lapse if not exercised within 10 years of the date of award.

The performance measures for the 2012/15 PSP cycle are set out below:

Performance Measure	Threshold performance	Maximum performance	Threshold/Maximum vesting	Weighting	Maximum award – % of salary	Potential vesting outcomes
TSR	Growth by 8% per year or more	Growth by 15% per year or more	25%/100%	50%	75%	Between Threshold and Maximum vesting if current performance maintained
EPS	Growth by 6% per year or more	Growth by 12% per year or more	25%/100%	50%	75%	Between Threshold and Maximum vesting if current performance maintained

c) PSP Options Granted in 2013

Executive Director	Award Date	Maximum Shares Awarded	Price per Share at Grant ¹	Face Value of Award at Grant	Number of Shares received if Threshold Performance Achieved
Jonathan Prentis	17-Oct-13	376,310	£1.403	£527,963	94,077
Mark Aylwin ²	17-Oct-13	343,587	£1.403	£482,053	85,896
Guy Farrant	17 Oct-13	365,402	£1.403	£512,659	91,350
Bryn Satherley	17-Oct-13	305,411	£1.403	£428,492	76,352

¹ The price at grant was calculated using the average mid-market closing price on the three days immediately preceding grant.

² In accordance with the Remuneration Policy, all unvested PSP awards granted to Mark Aylwin will lapse in full on the date his employment terminates.

In October 2013, the Company made awards under the PSP in relation to a total of 5.4m new Ordinary Shares.

The options granted will vest and become exercisable three years from the date of award, subject to continued employment and the performance conditions outlined above being satisfied and will lapse if not exercised within 10 years of the date of award.

The performance target is the same as for the 2012/15 PSP cycle.

REMUNERATION REPORT CONTINUED

Share Incentives (audited information) continued

d) PSP Options Granted in 2014

Executive Director	Award Date	Maximum Shares Awarded	Price per Share at Grant ¹	Face Value of Award at Grant	Number of Shares received if Threshold Performance Achieved
Jonathan Prentis	16-Oct-14	500,972	£1.183	£592,650	125,243
Mark Aylwin ²	16-Oct-14	424,875	£1.183	£502,627	106,218
Guy Farrant	16 Oct-14	494,631	£1.183	£585,148	123,657
Bryn Satherley	16-Oct-14	424,875	£1.183	£502,627	106,218

¹ The price at grant was calculated using the average mid-market closing price on the three days immediately preceding grant.

² In accordance with the Remuneration Policy, all unvested PSP awards granted to Mark Aylwin will lapse in full on the date his employment terminates.

In October 2014, the Company made awards under the PSP in relation to a total of 8.6m new Ordinary Shares.

The options granted will vest and become exercisable three years from the date of award, subject to continued employment and the performance conditions outlined above being satisfied and will lapse if not exercised within 10 years of the date of award.

The performance target is the same as for the 2013/16 PSP cycle.

Participation

As well as the Executive Directors, approximately 1,000 employees have been granted PSP options. In addition 3,069 employees participate in the 2014 SAYE scheme, 2,888 employees participate in the 2013 SAYE scheme and 1,576 participate in the 2012 SAYE scheme. The Executive Directors have chosen not to participate in any of the current SAYE schemes.

The high number of employees participating in these schemes is consistent with the Group's policy of ensuring that the remuneration of the Executive Directors is aligned with that of the overall workforce and with the interests of shareholders.

Since 2007, when the reverse takeover of Blueheath was completed and the Company became admitted to trading on AIM, the equity value of the Company has increased from approximately £300m to over £2.6bn as at 20 May. The value of the PSP options awarded has been equivalent to 2% of the value generated.

Statement of Directors' Shareholdings (audited information)

Alignment to shareholder interests is a key element of the Group's remuneration policy which maintains commitment over the long term and ensures that the interests of the Executive Directors are aligned with those of shareholders. The Committee sets shareholding guidelines for Executive Directors. The current guideline is to build and maintain, over time, a personal (and/or spousal) holding of shares in the Company equivalent in value to at least the Executive Director's annual base salary. All of the Executive Directors currently meet these guidelines. Details of the share interests of all Executive Directors are shown below. Shares held outright by each Executive Director at 27 March 2015 with no restrictions:

Director	No of Shares Held Outright		PSP Share Awards Vested but Unexercised		PSP Share Awards Unvested		Total Number of Shares and Awards Held	
	2015	2014	2015	2014	2015	2014	2015	2014
Charles Wilson	108,241,986	108,241,986	1,400,000	1,400,000	0	0	109,641,986	109,641,986
Jonathan Prentis	10,413,807	10,413,807	2,073,383	1,488,373	1,399,904	1,483,942	12,487,190	11,902,180
Mark Aylwin	600,000	600,000	2,003,018	1,488,373	1,245,638	1,335,408	2,603,018	2,088,373
Guy Farrant	350,000	350,000	3,062,895	2,500,000	1,367,506	1,466,066	3,412,895	2,850,000
Bryn Satherley	7,163,486	7,163,486	2,027,143	1,488,373	1,154,443	1,268,338	9,190,629	8,651,859

The aggregate gains made by Directors on the exercise of options was £nil (2014: £4,940,000).

Percentage Change in Remuneration of Chief Executive

The table below shows the percentage change in the remuneration of Charles Wilson, Chief Executive compared to our employees between 2013 and 2015:

	Total Remuneration £000	Variable Element (%)	Percentage increase from FY12 to FY14 – Chief Executive (%)	Percentage increase from FY12 to FY14 Employees (%)
2013	588	0	0	2.41
2014	588	0	0	2.15
2015	588	0	0	2.36

Variable element comprises annual bonus and the long term incentive opportunity delivered via the PSP.

Chief Executive – Six Year Earnings History

The six year single total remuneration history of the Chief Executive is shown in the table below:

	2010	2011	2012	2013	2014	2015
Single total figure of remuneration £'000	587	1,637	588	588	588	588
Bonus awarded as % of maximum	0	0	0	0	0	0
PSP vesting as % of maximum	0	64%	0	0	0	0

Charles Wilson received a PSP award in July 2008 which vested in July 2011 with a market value on the vesting date of £1,050,000. He has not received any subsequent PSP awards and has not received any bonus payments.

REMUNERATION REPORT CONTINUED

Relative Performance Graph

The Company's performance from 27 March 2009 to 27 March 2015 measured by Total Shareholder Return ('TSR'), is compared in the chart below with the performance of the FTSE 250 Index (excluding investment trusts). This is considered the most appropriate index against which to measure performance following the Company's inclusion in the FTSE 250 Index in December 2009.

TSR is defined as the return a shareholder would receive if they held a notional number of shares and received dividends over a period of time. Assuming dividends are reinvested into the Company's shares, it measures the percentage growth in the Company's share price together with any dividends paid.

The closing mid market price of an Ordinary Share on 27 March 2015 was 147.70p and the price range during the year was 115.00p to 165.00p.

Booker Group plc Total Shareholder Return Since 26 March 2009



Relative Importance of Spend on Pay

The table below sets out the actual expenditure of the Group in 2014 and 2015 on employee remuneration and distributions to shareholders and shows the difference in spend between those years:

Item	2015 £m	% Change	2014 £m
Remuneration paid to all employees	269.5	3	261.1
Distributions: Dividend paid to shareholders	56.9	22	46.6
Return of Capital paid to shareholders	60.9	100	0

Payments to Past Directors (audited information)

There were no payments made to past Directors in 2015.

Payments for Loss of Office (audited information)

There were no payments for loss of office in 2015.

Voting at Annual General Meetings

At our most recent AGMs, the annual advisory vote in respect of the Annual Report on Directors' Remuneration was as follows:

AGM	For	Against	Withheld
2014	99.11%	0.89%	109,949
2013	99.30%	0.70%	15,169,397
2012	76.24%	23.76%	57,277,131

Following the introduction of the binding shareholder vote on the Directors' Remuneration Policy in 2014, the vote in respect of this resolution was as follows:

AGM	For	Against	Withheld
2014	98.43%	1.57%	51,001,739

Single Total Figure of Remuneration – Non-Executive Directors (audited information)

Non-Executive Director	Fees £'000 2015	Fees £'000 2014	Benefits £'000 2015	Benefits £'000 2014	Total £'000 2015	Total £'000 2014
Richard Rose	141	135	Nil	Nil	141	135
Lord Bilimoria	46	44	Nil	Nil	46	44
Helena Andreas	43	37	Nil	Nil	43	37
Andrew Cripps	52	50	Nil	Nil	52	50
Stewart Gilliland	44	42	Nil	Nil	44	42
Karen Jones	47	45	Nil	Nil	47	45

Non-Executive Directors are paid a fee which is agreed by the Executive Directors and the Chairman of the Board, taking into account fees paid in other companies of similar complexity. These fees also reflect the time commitment and responsibilities of the roles.

Accordingly, higher fees are payable to the Chairman of the Audit Committee (Andrew Cripps) and the Chairman of the Remuneration committee (Karen Jones). The Chairman's fees are agreed by the Committee.

Non-Executive Directors' fee levels are reviewed annually.

Non-Executive Directors' Share Interests

Details of the share interests of Non-Executive Directors and their connected persons as at 27 March 2015 are shown below. There has been no change in the interests between 27 March 2015 and 20 May 2015.

	Ordinary Shares in Booker Group plc 27 March 2015	Ordinary Shares in Booker Group plc 28 March 2014
Richard Rose	910,282	910,282
Lord Bilimoria	50,000	50,000
Helena Andreas	10,000	10,000
Andrew Cripps	200,000	200,000
Karen Jones	154,242	150,242
Stewart Gilliland	50,000	50,000

REMUNERATION REPORT CONTINUED

Implementation of Remuneration Policy in 2016

We set out below a statement of the implementation of the Directors' Remuneration Policy in 2016.

Executive Directors

Salary

As at the date of this report the Committee has not reviewed the salaries for the Executive Directors which will take effect on 1 October 2015.

The overall budget for salary increases for Group employees, and the overall increase in the Executive Directors' salaries for 2016 is as follows:

Group Employees	Executive Directors
2%	2%

Charles Wilson, Chief Executive, has chosen not to receive a salary increase.

Bonus

No change to current operation.

PSP

In the context of our future performance goals the Committee will review the targets attached to PSP awards to be granted in 2015.

Non-Executive Directors

Fees

The following fee levels will apply from 1 April 2015:

Non-Executive	Basic Fee £'000	Additional Fee As Chairman of Committee £'000			Additional Fee For representation on Committee £'000			Total £'000
		Audit	Nomination	Remuneration	Audit	Nomination	Remuneration	
Richard Rose	135	–	4	–	–	–	–	139
Lord Bilimoria	40	–	–	–	3	2	3	48
Helena Andreas	40	–	–	–	–	–	–	40
Andrew Cripps	40	6	–	–	–	2	3	51
Stewart Gilliland	40	–	–	–	3	–	–	43
Karen Jones	40	–	–	6	–	2	–	48

This report was approved by the Board of Directors on 20 May 2015.

Karen Jones CBE

Chairman of the Remuneration Committee

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND ACCOUNTS

The Directors are responsible for preparing the Annual Report and the Group and parent company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare group and parent company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with IFRSs as adopted by the EU and applicable law and have elected to prepare the parent company financial statements in accordance with UK Accounting Standards.

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 parent company and of their profit or loss for that period. In preparing each of the Group and parent company 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;
- for the Group financial statements, state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- for the parent company financial statements, state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the parent company financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the parent company will continue in business.

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

Under applicable law and regulations, the Directors are responsible for preparing a Strategic Report, Directors' Report, Remuneration Report and Corporate Governance Report that comply with that law and those regulations.

The Directors are also responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement of the Directors in respect of the Annual Report and Accounts

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the Strategic Report and Directors' Report include a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the Annual Report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

By order of the Board

Charles Wilson
Director

Jonathan Prentis
Director

20 May 2015

INDEPENDENT AUDITOR'S REPORT

to the members of Booker Group plc only

Opinions and conclusions arising from our audit

1. Our opinion on the financial statements is unmodified

We have audited the financial statements of Booker Group plc for the period ended 27 March 2015 set out on pages 58 to 92. 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 27 March 2015 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with UK Accounting Standards; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006; and, as regards the Group financial statements, Article 4 of the IAS Regulation.

2. Our assessment of risks of material misstatement

In arriving at our audit opinion above on the financial statements the risks of material misstatement that had the greatest effect on our audit were as follows:

Valuation of the defined benefit pension scheme

Refer to page 27 (Audit Committee Report), page 65 (accounting policy) and page 82 (financial disclosures).

The risk – Significant estimates are made in valuing the Group's post-retirement defined benefit scheme, including in particular the discount rate used to discount the retirement benefit obligation, the inflation assumptions adopted and the assumptions in respect of mortality. Small changes in the assumptions used in the valuation of the Group's net pension deficit could have a significant effect on the results and financial position of the Group.

Our response – In this area our audit procedures included testing of the controls over the maintenance of the scheme's membership data, as well as sample testing from that data to the source documentation establishing the obligation to members, and vice versa. With the support of our own actuarial specialists, we then challenged the key assumptions applied to that data to determine the Group's net deficit. This included a comparison of these key assumptions against external market data, where appropriate, such as bond yield curves of comparable duration to the Group's scheme. In addition, we developed an expectation for the amount of benefits paid in the year and compared that with the amount actually paid. We also considered the adequacy of the Group's disclosures in relation to the pension scheme.

Measurement of onerous lease provisions

Refer to page 27 (Audit Committee Report), page 68 (accounting policy) and page 84 (financial disclosures).

The risk – The Group has recorded provisions at the year end in respect of onerous leases for vacant properties. The estimation of these provisions at each period end requires a significant degree of judgement and the application of certain assumptions, including the expected cash flows associated with the properties over the remaining lease term, the expected utilisation of the properties, and the rate used to discount future cash flows to account for the time value of money. As such there is a risk that the provision, and associated charges or credits in the statement of comprehensive income, are materially misstated through the use of inappropriate assumptions.

Our response – Our procedures included, for a sample of properties, critically evaluating the underlying assumptions applied by the Directors. In doing so we compared the underlying assumptions described above to the Group's supporting information, including the individual circumstances relevant to each property and the Directors' expectations going forward. We read Board minutes to compare the assumptions in relation to the proposed usage of the properties with the documented plans noted in those minutes, where available. We held enquiries with the Group's internal qualified property specialists in relation to the key assumptions within the calculations, including the discount rate and the forecasts for sublet income within the calculations where the Directors' are expecting to sublet vacant properties to third parties. We critically evaluated the discount rate used to discount forecast cash flows associated with the properties, through the utilisation of our valuation specialist, and by evaluating the sensitivity of the provisions to changes in the rate used. We performed additional sensitivity analysis to understand the impact of changes to other key assumptions within the calculation of the provisions, including forecast cash outflow and inflow assumptions and property utilisation rates. We also re-performed the calculation of the provisions to ensure that they had been calculated correctly and that the discounting of the cash flows had been correctly performed.

3. Our application of materiality and an overview of the scope of our audit

The materiality for the Group financial statements as a whole was set at £7.1m, determined with reference to a benchmark of Group profit before tax of £138.8m, of which it represents 5.1%.

We report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £0.35m, in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the Group's seven reporting components, we subjected three to audits for Group reporting purposes and the remaining four to reviews (including enquiry) of financial information. The latter were not individually financially significant enough to require an audit for Group reporting purposes, but provided us with additional audit coverage. Our work covered 100% of the Group's profit before tax, revenues and total assets.

The Group audit team carried out the work on all the components at the Group's offices in Wellingborough, Deeside and Eccles. Component materialities ranged between £5m and £6m.

4. Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- 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.

5. We have nothing to report in respect of the matters on which we are required to report by exception

Under ISAs (UK and Ireland) we are required to report to you if, based on the knowledge we acquired during our audit, we have identified other information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

In particular, we are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our audit and the Directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy; or
- the Audit Committee Report does not appropriately address matters communicated by us to the Audit Committee.

Under the Companies Act 2006 we are required 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 and the part of the Directors' Remuneration Report to be audited 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.

Under the Listing Rules we are required to review:

- the Directors' statement, set out on page 17, in relation to going concern; and
- the part of the Corporate Governance Statement on page 20 relating to the Company's compliance with the ten provisions of the 2012 UK Corporate Governance Code specified for our review.

We have nothing to report in respect of the above responsibilities.

Scope and responsibilities

As explained more fully in the Directors' Responsibilities Statement set out on page 55, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate. This report is made solely to the Company's members as a body and is subject to important explanations and disclaimers regarding our responsibilities, published on our website at www.kpmg.com/uk/auditscopeukco2014a, which are incorporated into this report as if set out in full and should be read to provide an understanding of the purpose of this report, the work we have undertaken and the basis of our opinions.

Nicola Quayle (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE

20 May 2015

CONSOLIDATED INCOME STATEMENT

For the 52 weeks ended 27 March 2015

		52 weeks ended 27 March 2015	52 weeks ended 28 March 2014		
	Note	Total £m	Before exceptional items £m	Exceptional items (Note 4) £m	Total £m
Revenue		4,753.0	4,681.6	–	4,681.6
Cost of sales		(4,524.8)	(4,473.4)	(2.0)	(4,475.4)
Gross profit		228.2	208.2	(2.0)	206.2
Administrative expenses		(87.9)	(87.8)	5.4	(82.4)
Operating profit		140.3	120.4	3.4	123.8
Financial expenses	6	(1.5)	(1.7)	–	(1.7)
Profit before tax	4	138.8	118.7	3.4	122.1
Tax	7	(21.1)	(17.6)	0.7	(16.9)
Profit for the period attributable to the owners of the Group		117.7	101.1	4.1	105.2
Earnings per share (Pence)					
Basic	8	6.73p			6.06p
Diluted	8	6.63p			5.94p

All of the Group's operations during the period shown above represent continuing operations.

There are no exceptional items in the year ended 27 March 2015.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the 52 weeks ended 27 March 2015

	Note	52 weeks ended 27 March 2015 £m	52 weeks ended 28 March 2014 £m
Profit for the period		117.7	105.2
Items that will not be reclassified to profit or loss			
Remeasurements of the pension scheme	19	(18.5)	(6.4)
Tax on pension scheme remeasurements	7, 14	3.7	1.4
Items that may be reclassified to profit or loss			
Currency translation differences		–	(1.0)
Total other comprehensive expense		(14.8)	(6.0)
Total comprehensive income for the period		102.9	99.2

CONSOLIDATED BALANCE SHEET

As at 27 March 2015

	Note	27 March 2015 £m	28 March 2014 £m
ASSETS			
Non-current assets			
Property, plant and equipment	10	207.1	204.5
Intangible assets	11	439.8	438.7
Investment in joint venture	12	1.4	1.1
Deferred tax asset	14	28.1	20.1
		676.4	664.4
Current assets			
Inventories	15	328.1	327.6
Trade and other receivables	16	124.5	113.6
Cash and cash equivalents		147.0	149.6
		599.6	590.8
Total assets		1,276.0	1,255.2
LIABILITIES			
Current liabilities			
Trade and other payables	17	(586.0)	(586.2)
Current tax		(19.9)	(15.8)
		(605.9)	(602.0)
Non-current liabilities			
Other payables	17	(26.9)	(27.5)
Retirement benefit liabilities	19	(19.7)	(3.6)
Provisions	20	(25.4)	(25.5)
		(72.0)	(56.6)
Total liabilities		(677.9)	(658.6)
Net assets		598.1	596.6
EQUITY			
Share capital	21	17.6	17.4
Share premium		41.2	36.4
Merger reserve		260.8	260.8
Capital redemption reserve		60.9	–
Other reserves		75.8	136.8
Share option reserve		11.2	8.5
Retained earnings		130.6	136.7
Total equity attributable to equity holders		598.1	596.6

These financial statements were approved by the Board of Directors on 20 May 2015 and were signed on its behalf by:

Charles Wilson
Director

Jonathan Prentis
Director

CONSOLIDATED CASH FLOW STATEMENT

For the 52 weeks ended 27 March 2015

	Note	52 weeks ended 27 March 2015 £m	52 weeks ended 28 March 2014 £m
Cash flows from operating activities			
Profit before tax		138.8	122.1
Depreciation	10	20.3	20.4
Amortisation	11	0.9	0.7
Net finance costs		1.5	1.7
Loss/(profit) on disposal of property, plant and equipment		0.2	(0.5)
Equity settled share based payments		5.3	4.3
(Increase)/decrease in inventories		(0.5)	6.8
Increase in debtors		(10.9)	(6.9)
(Decrease)/increase in creditors		(1.9)	20.7
Decrease in amount due to investment		–	(5.6)
Contributions to pension scheme	19	(2.4)	(9.6)
Decrease in provisions	20	(1.4)	(4.1)
Non cash item: Gain on bargain purchase		–	(11.2)
Net cash flow from operating activities		149.9	138.8
Net interest paid		(0.2)	(0.3)
Tax paid		(15.1)	(12.3)
Cash generated from operating activities		134.6	126.2
Cash flows from investing activities			
Acquisition of property, plant and equipment		(23.6)	(15.5)
Acquisition of intangible asset		(1.0)	(2.5)
Investment in joint venture		(0.3)	(0.5)
Sale of property, plant and equipment		0.5	17.6
Net debt arising from acquisition of subsidiary		–	(7.9)
Net cash outflow from investing activities		(24.4)	(8.8)
Cash flows from financing activities			
Proceeds from issue of ordinary shares		5.0	1.6
Redemption of B shares	23	(60.9)	–
Dividends paid	23	(56.9)	(46.6)
Net cash outflow from financing activities		(112.8)	(45.0)
Net (decrease)/increase in cash and cash equivalents		(2.6)	72.4
Cash and cash equivalents at the start of the period		149.6	77.2
Cash and cash equivalents at the end of the period		147.0	149.6

Reconciliation of net cash flow to movement in net cash in the period

	£m	£m
Net (decrease)/increase in cash and cash equivalents	(2.6)	72.4
Opening net cash	149.6	77.2
Net cash at the end of the period	147.0	149.6

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

52 weeks ended 27 March 2015

	Note	Share capital £m	Share premium £m	Merger reserve £m	Capital redemption reserve £m	Other reserve £m	Share option reserve £m	Retained earnings £m	Total £m
At 28 March 2014		17.4	36.4	260.8	–	136.8	8.5	136.7	596.6
Profit for the period		–	–	–	–	–	–	117.7	117.7
Remeasurements of the pension scheme	19	–	–	–	–	–	–	(18.5)	(18.5)
Tax on pension scheme remeasurements	7, 14	–	–	–	–	–	–	3.7	3.7
Total comprehensive income for the period		–	–	–	–	–	–	102.9	102.9
Dividends to shareholders	23	–	–	–	–	–	–	(56.9)	(56.9)
Issue B shares	23	–	–	–	–	(61.0)	–	–	(61.0)
Redemption of B shares	23	–	–	–	60.9	–	–	(60.9)	–
Share options exercised		0.2	4.8	–	–	–	(2.6)	2.6	5.0
Share based payments	24	–	–	–	–	–	5.3	–	5.3
Tax on share schemes	7	–	–	–	–	–	–	6.2	6.2
At 27 March 2015		17.6	41.2	260.8	60.9	75.8	11.2	130.6	598.1

52 weeks ended 28 March 2014

	Note	Share capital £m	Share premium £m	Merger reserve £m	Capital redemption reserve £m	Other reserve £m	Share option reserve £m	Retained earnings £m	Total £m
At 29 March 2013		17.3	34.9	260.8	–	136.8	6.6	81.7	538.1
Profit for the period		–	–	–	–	–	–	105.2	105.2
Remeasurements of the pension scheme	19	–	–	–	–	–	–	(6.4)	(6.4)
Tax on pension scheme remeasurements	7, 14	–	–	–	–	–	–	1.4	1.4
Currency translation differences		–	–	–	–	–	–	(1.0)	(1.0)
Total comprehensive income for the period		–	–	–	–	–	–	99.2	99.2
Dividends to shareholders	23	–	–	–	–	–	–	(46.6)	(46.6)
Share options exercised		0.1	1.5	–	–	–	(2.4)	2.4	1.6
Share based payments	24	–	–	–	–	–	4.3	–	4.3
At 28 March 2014		17.4	36.4	260.8	–	136.8	8.5	136.7	596.6

NOTES TO THE GROUP FINANCIAL STATEMENTS

1. General information

a) Overview

Booker Group plc is a public limited company incorporated in the United Kingdom (Registration number 05145685). The Company is domiciled in the United Kingdom and its registered address is Equity House, Irthlingborough Road, Wellingborough, Northamptonshire, NN8 1LT. The nature of the Group's operations and its principal activities are set out in the Strategic and Directors' Reports.

b) Basis of accounting

In accordance with EU law (IAS Regulation EC 1606/2002), the group financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') adopted for use in the EU as at 27 March 2015 ('adopted IFRS'), International Financial Reporting Interpretations Committee ('IFRIC') interpretations and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The Company has elected to prepare its parent company accounts in accordance with UK Generally Accepted Accounting Principles ('UK GAAP').

The group financial statements consolidate those of the Company and its subsidiaries (together referred to as the 'Group'). The parent Company financial statements present information about the Company as a separate entity and not about its Group.

The financial statements are presented in Sterling and rounded to the nearest hundred thousand.

The financial statements for the current period have been prepared for a 52 week period to reflect internal management reporting.

c) Basis of consolidation

On 4 June 2007 the Company, then named Blueheath Holdings plc, became the legal parent company of Giant Topco Limited in a share-for-share transaction. Due to the relative values of the companies, the former Giant Topco Limited shareholders became the majority shareholders with 90.36% of the enlarged share capital. As part of the business combination Blueheath Holdings plc changed its name to Booker Group plc and changed its accounting reference date to 31 March. Following the transaction, the Company's continuing operations and executive management were predominantly those of Giant Topco Limited. IFRS 3 'Business Combinations' defines the acquirer in a business combination as the entity that obtains control. Accordingly, the combination was accounted as a reverse acquisition i.e. as if Giant Topco Limited had acquired Blueheath Holdings plc in return for consideration equal to the fair value of the shares issued.

Subsidiaries are entities controlled by the Group. Control exists when the Group is exposed to, or has rights to, variable returns from its involvement with an entity and has the ability to affect those returns through its power to direct the relevant activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

In July 2012, the Group acquired the entire share capital of Makro Holding Limited ('Makro'). The transaction was subject to Competition Commission approval and, whilst this process was in progress, the investment was held as an available for sale financial asset and cash subsequently advanced from Makro was shown within creditors. Full clearance to the acquisition of Makro was received from the Competition Commission on 19 April 2013 and Makro has been consolidated from this date, being the date that control passed to the Group. See notes 9 and 13 for more details.

d) Accounting standards adopted in the period

The Group has adopted the following new standards:

- IFRS 10 'Consolidated Financial Statements'
- IFRS 11 'Joint Arrangements'
- IFRS 12 'Disclosure of Interests in Other Entities'

The Group has adopted the following amendments and interpretations:

- IAS 27 (revised 2011) 'Separate Financial Statements'
- IAS 28 (revised 2011) 'Investments in Associates and Joint Ventures'
- Amendments to IAS 32 'Offsetting Financial Assets and Financial Liabilities'
- Improvements to IFRS 2013
- IAS 36 'Recoverable amount disclosures for Non Financial Assets'
- Amendments to IFRS 7 'Disclosures – Offsetting Financial Assets and Financial Liabilities'

The new standards, amendments and interpretations adopted have not had a significant impact on the financial statements.

e) New IFRS and amendments to IAS and interpretations

There are a number of standards and interpretations issued by the International Accounting Standards Board that are effective for financial statements after this reporting period but have not yet been endorsed by the European Union. The following have not been adopted early by the Group:

	Effective for accounting periods starting on or after
IFRS 14 'Regulatory Deferral Accounts'	1 January 2016
Amendments to IFRS 10, IFRS 12 and IAS 28 'Investment Entities: Applying the Consolidation Exception'	1 January 2016
Amendments to IAS 16 and IAS 28 'Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016
Amendments to IFRS 11 'Accounting for Acquisitions of Interests in Joint Operations'	1 January 2016
IFRS 15 'Revenue from Contracts with Customers'	1 January 2017
IFRS 9 'Financial Instruments'	1 January 2018

The application of these standards and interpretations is not anticipated to have a material effect on the Group's financial statements.

f) Going concern

The risks noted in the Strategic Report are those known to the Directors at the date of this Report which the Directors consider to be material to the Group, but these do not necessarily comprise all the risks to which the Group is exposed. In particular, the Group's performance could be adversely affected by poor economic conditions. Additional risks and uncertainties currently unknown to the Directors, or which the Directors currently believe are immaterial, may also have a material adverse effect on the business, financial condition or prospects of the Group.

In July 2011, the Group negotiated an unsecured bank facility of £120m for a period of 5 years. A new facility is expected to be negotiated in the near future, in advance of the facility ending in July 2016. At the period end, the Group had net cash of £147m and during the year to 27 March 2015, the Group did not draw on this facility. In addition, the Group complied with all its covenants during the year. The Group's forecasts and projections, taking account of possible changes in trading performance and considering the risks identified, show that the Group should be able to operate within the level of its bank facility.

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Group and Company financial statements.

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

1. General information continued

g) Use of assumptions and estimates

The preparation of accounts in accordance with generally accepted accounting principles requires the Directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Some of these policies require a high level of judgement and the Directors believe that the most critical accounting policies and significant areas of judgement and estimation arise from the accounting for:

- IAS37 'Provisions, contingent liabilities and contingent assets'. The Group is party to a number of leases on properties that are no longer required for trading. Whilst every effort is made to profitably sub-let these properties, it is not always possible to do so. Where a lease is onerous to the Group, a provision is established for the difference between amounts contractually payable to the landlord and amounts contractually receivable from the tenant (if any) for the period up until the point it is judged that the lease will no longer be onerous. In addition, provisions exist for the expected future dilapidation cost on leasehold properties and the expected future costs of removing asbestos from leasehold properties. The Directors believe that their estimates, which are based upon the advice of an in-house property department who monitor the UK property market, are appropriate.
- IAS19 'Employee benefits'. Defined benefit schemes are accounted for in accordance with the advice of an independent qualified actuary but significant judgements are required in relation to the assumptions for future salary and pension increases, inflation, investment returns and mortality that underpin their valuations. Sensitivities in relation to key assumptions are disclosed in note 19.
- IAS36 'Impairment of assets'. In testing for impairment of goodwill and other assets, the Directors have made certain assumptions concerning the future development of the business that are consistent with its annual budget and forecast into perpetuity. Should these assumptions regarding the discount rate or growth in the profitability be unfounded then it is possible that goodwill included in the balance sheet could be impaired. At 27 March 2015, the Directors do not consider that any reasonably likely changes in key assumptions would cause the carrying value of the goodwill to become impaired. Sensitivities in relation to key assumptions are disclosed in note 11.
- IAS12 'Income Taxes'. In applying the Group's accounting policy in relation to deferred tax, as set out below, the Directors are required to make assumptions regarding the Group's ability to utilise historical tax assets following an assessment of the likely quantum and timing of future taxable profits. A deferred tax asset is recognised to the extent that the Directors are confident that the Group's future profits will utilise historical tax assets.

2. Accounting policies

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Group financial statements.

Intangible assets

a) Business combinations and goodwill

Subject to the transitional relief in IFRS 1, all business combinations are accounted for by applying the purchase method. Goodwill represents amounts arising on acquisition of subsidiaries. In respect of business acquisitions that have occurred since 1 April 2006, goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets and liabilities acquired. Identifiable intangibles are those which can be sold separately or which arise from legal rights regardless of whether those rights are separable.

Goodwill is capitalised and is subject to an impairment review, both annually and when there are indications that its carrying value may not be recoverable.

For acquisitions on or after 1 January 2010, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in the income statement. Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred. Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

b) Other intangibles

Customer relationships and know-how are capitalised and amortised on a straight-line basis over 5 years and charged to administrative expenses.

Revenue

Revenue is recognised when goods are received by the customer and the risks and rewards of ownership have passed to them. Revenue is measured at the fair value of consideration received or receivable and represents amounts receivable for goods net of discounts, volume rebates and value added tax. Discounts are accounted for in the period they are earned. Provision is made for expected customer returns.

Cost of sales

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

Employee benefits

a) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred.

b) Defined benefit plans

The Group's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) is deducted. The discount rate is the yield at the balance sheet date on AA credit rated bonds that have maturity dates approximating to the terms of the Group's obligations. The defined benefit obligation calculation is performed by a qualified actuary using the projected unit credit method.

All actuarial gains and losses were recognised as at 1 April 2006, the date of transition to Adopted IFRSs. In respect of actuarial gains and losses that arise subsequent to 1 April 2006 the Group recognises them in the period they occur directly in other comprehensive income.

Where the calculation results in a benefit to the Group, the asset recognised is limited to the present value of any future refunds from the plan or reductions in future contributions to the plan.

Under IAS 19 (2011), the Group determines the net interest expense/(income) for the period on the net defined benefit liability/asset by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability/asset at the beginning of the period, taking into account any changes in the net defined benefit liability/asset during the period as a result of contributions and benefit payments.

c) Short-term benefits

Short-term employee benefit obligations are expensed as the related service is provided. An accrual is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

2. Accounting policies continued

Financial instruments

Financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Group 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 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 finance expenses. Finance payments associated with financial instruments that are classified in equity are treated as distributions and are recorded directly in equity.

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, available for sale financial assets, cash and cash equivalents, loans and borrowings, and trade and other payables.

a) Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

b) Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

c) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and deposits repayable on demand. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows.

d) Interest-bearing borrowings

Interest bearing borrowings are recognised in the balance sheet at amortised cost. Costs associated with extending the bank facility have been recognised in the income statement. All other borrowing costs are recognised in the income statement in the period in which they are incurred.

Foreign currency

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Guarantees

Third party property guarantees are initially recognised as a financial liability under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'. These are measured and recognised at fair value. These property guarantees are included within 'Provisions' on the balance sheet.

Impairment

The carrying values of the Group's assets, other than inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any impairment. In performing the impairment reviews, the asset's recoverable amount is estimated and compared to the carrying amount.

An impairment loss is recognised to the extent that the carrying value of an asset exceeds its recoverable amount and is recognised in the income statement.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is based on either the weighted average principle or the replacement cost and includes certain warehousing and distribution costs incurred in bringing the inventory to their existing location less supplier volume rebates. Net realisable value is the estimated selling price less the estimated costs of disposal.

Investment in joint ventures

The Group conducts its joint venture arrangements through jointly controlled entities and accounts for them using the equity method of accounting. The Group records its share of the joint controlled entities' post tax profit or loss within the income statement and its share of the net assets within investments. Where the Group transacts with its jointly controlled entities, unrealised profits and losses are eliminated to the extent of the Group's interest in the joint venture.

Leases

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Where a lease has a minimum fixed increase, the total minimum lease payments are spread over the lease term. The total amount payable over the life of the lease remains unchanged but the timing of the income statement charge relative to the lease payments change. The excess of the rent charged over the cash payment in any period will be held on the balance sheet within 'Accruals and deferred income'.

Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

Net financing costs

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method.

Operating segments

IFRS 8 'Operating Segments' requires that segments should be reported on the same basis as the internal reporting information that is provided to the Chief Operating Decision Maker ('CODM'). The CODM has been identified as the CEO. In accordance with IFRS 8, the Group may aggregate operating segments into one reportable segment to the extent that the criteria for aggregation in IFRS 8 are met. These criteria include consideration of whether the operating segments have similar economic characteristics; similar nature of products and services; similar type or class of customers; similar methods used to distribute products or provide services; and similar regulatory environments.

The CODM receives turnover information analysed in a number of different ways (for example by customer and product types, by delivery channels and between Booker Wholesale, Booker Direct, Chef Direct, Classic Drinks, Ritter-Courivaud and Makro). However, none of these 'possible' segments have a unique management structure, products share the same supply chain and distribution channels, and there are a large amount of supplier rebates, expenses and assets/(liabilities) that are not specific. It is therefore not possible to analyse, and the CODM does not receive, information in respect of profitability or balance sheets in the same way in which turnover is analysed. Internal reports reviewed regularly by the CODM focus on the operations of the Group as a whole and report the results and financial position on an IFRS basis.

As a result, the Group has not disclosed discrete financial information about any of the 'possible segments', which in any event would meet the criteria for aggregation under IFRS 8, separately in these financial statements.

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

2. Accounting policies continued

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment. Labour and associated costs that have been incurred specifically on the 'Extra' business centre conversions have been capitalised in leasehold improvements and are being depreciated over the lesser of 10 years or the number of years remaining on the lease.

Leases in which the Group assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Where land and buildings are held under leases the accounting treatment of the land is considered separately from that of the buildings. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

- | | |
|--------------------------|--|
| • Freehold buildings | 30 years |
| • Leasehold improvements | lesser of the unexpired term of the lease and 50 years |
| • Plant and equipment | 3–20 years |
| • Motor vehicles | 4 years |

Freehold land is not depreciated.

Depreciation expense is primarily charged in cost of sales with an immaterial amount in administrative expenses.

Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected, risk adjusted, future cash flows at a pre-tax rate that reflects the time value of money and the risks specific to the liability.

Share based payments

The Group has issued equity settled share based payments to certain employees in exchange for services rendered by them. The fair value is measured using an option valuation model at the date of grant and is recognised as an employee expense over the period in which the employees become unconditionally entitled to the options, with a corresponding increase in equity, shown in a separate share option reserve. This valuation is based on estimates of the number of options that will eventually vest, taking into account service conditions and market performance.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Supplier rebates

A number of different types of rebate are negotiated with suppliers in connection with the purchase of goods for resale. Such rebates are only recognised when earned by the Group, which occurs when all obligations conditional for earning the rebate have been discharged, and the rebate can be measured reliably based on the terms of the contract. These rebates are recognised as a credit within cost of sales and, to the extent that the rebate relates to unsold stock purchases, as a reduction in the cost of inventory.

There are two main types of supplier rebates:

- Terms, which are generally annual agreements (not always coterminous with the Group's year end), are signed by the Group and the supplier. Rebates are determined relative to volumes purchased or by other conditional arrangements as follows:
 - Volume based rebates include overrides, advertising allowances and targeted income. Rebates are accrued based on the Group's purchasing volumes and the current agreement with the supplier. Amounts are recognised once confirmation of agreement to that rebate has been received from the supplier.
 - Non-volume based rebates include marketing support, range promotion and product development. Amounts are recognised when the rebate is earned through the completion of any required obligations and confirmed by suppliers.

Invoices are issued to suppliers periodically, quarterly or annually, depending on the terms of the agreement.

b) Promotional funding, which relates to price investments by suppliers through promotional activity. The calculation of funding is mechanical and based on a formula agreed in advance of each promotion with the supplier. Funding is recognised in the Income Statement as units are sold and is invoiced throughout the year, shortly after each promotion has ended.

Amounts relating to supplier rebates appear in a number of different balance sheet headings at the year end:

- Inventories: Where the rebate earned relates to inventories which are held by the Group at year end, the rebates are deducted from the cost of those inventories.
- Trade receivables: Billed supplier rebates outstanding at the period end where the Group has no legal right to offset against trade payables.
- Trade payables: Billed supplier rebates outstanding when the Group has a legal right to offset against payables.
- Prepayments and accrued income: amounts due from suppliers in relation to supplier rebates which has been recognised but not yet invoiced.
- Accruals and deferred income: amounts received in relation to supplier rebates that have not been earned at the year end.

Taxation

Tax expense included in the Income Statement comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Tax is recognised in the income statement except to the extent it relates to items recognised directly in equity, in which case it is recognised in equity, or to the extent it relates to items recognised in other comprehensive income, in which case it is recognised in other comprehensive income.

Deferred tax is provided using the Balance Sheet liability method, providing for temporary differences between the carrying amounts of assets (excluding goodwill) and liabilities for financial reporting purposes and the amounts used for taxation purposes. 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 deferred tax is also dealt with in equity. Deferred tax assets are only recognised to the extent that, following an assessment of the quantum and timing of future taxable profits, it is probable that future taxable profits will be available against which deductible temporary differences can be utilised.

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

3. Segmental reporting

The Group has considered the principles of IFRS 8 as well as its internal reporting, management and operating structure. The Directors' conclusion is that the Group has a single reportable segment, that of wholesaling activities.

Other than the operation in India (which is immaterial), all of the Group's revenue originates from the UK. The functional currency of the Indian operation is Rupees.

The Group has no significant reliance on any individual customers.

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

4. Profit before tax

	2015 £m	2014 £m
This is stated after charging:		
Depreciation of property, plant and equipment (see note 10)	20.3	20.4
Amortisation of intangibles (see note 11)	0.9	0.7
Operating lease rentals – land and buildings	48.0	48.5
Operating lease rentals – plant and machinery	15.9	15.1
During the period the Group incurred the following costs for services provided by the Company's auditor:		
Audit fees for the Company and the consolidated financial statements	0.1	0.1
Audit of subsidiary companies	0.2	0.4
Taxation advisory services	–	0.1
Other services	–	0.1
	0.3	0.7

Exceptional items

	2015 £m	2014 £m
Included within administrative expenses:		
Gain on bargain purchase (see note 9)	–	(11.2)
Restructuring and integration costs	–	5.8
	–	(5.4)
Included within cost of sales:		
Stock writedowns following range rationalisation	–	2.0
	–	(3.4)
Tax credit on exceptional costs	–	0.7

5. Staff numbers and costs

The average number of persons employed by the Group during the period, was as follows:

	2015 Number	2014 Number
Business centre, distribution and selling	11,946	11,981
Administration	868	878
	12,814	12,859

The aggregate payroll costs of these persons were as follows:

	£m	£m
Wages and salaries	237.8	230.8
Social security costs	21.1	21.0
Equity settled share based payments	5.3	4.3
Other pension costs	5.3	5.0
	269.5	261.1

Details of Directors' remuneration are provided in the Remuneration Report.

6. Finance income and expense

	2015 £m	2014 £m
Bank interest receivable	0.5	0.4
Interest on bank loans and overdrafts	(0.7)	(0.6)
Unwinding of discount on provisions (see note 20)	(1.3)	(1.5)
Finance expense	(2.0)	(2.1)
Net financial expenses	(1.5)	(1.7)

7. Tax

i) Analysis of charge in the period

	2015 £m	2014 £m
Arising in respect of current period		
Current tax	26.2	19.0
Deferred tax	0.5	7.8
	26.7	26.8
Arising in respect of prior periods		
Overstatement in respect of prior period current tax	(5.3)	(9.8)
(Over)/understatement in respect of prior period deferred tax	(0.3)	0.6
	(5.6)	(9.2)
Total tax charge	21.1	17.6

UK corporation tax is calculated at 21% (2014: 23%) of the estimated assessable profit for the period. Taxation in other jurisdictions is calculated at the rates prevailing in respective jurisdictions.

ii) Reconciliation of effective tax rate

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2015 £m	2014 £m
Profit before exceptional items and tax	138.8	118.7
Tax using the current UK corporation tax rate of 21% (2014: 23%)	29.1	27.3
Non deductible expenses	1.7	2.2
(Over)/understatement of prior year deferred tax asset	(0.3)	0.6
Overstatement of prior year current tax	(2.8)	(2.5)
Utilisation of previously unrecognised advance corporation tax	(2.5)	(2.3)
Utilisation of previously unrecognised tax losses	(4.1)	–
Release of provision in respect of former overseas business	–	(5.0)
Tax relief arising on employee share option exercises	–	(4.0)
Impact of change in future tax rates	–	1.3
Total tax charge	21.1	17.6
Effective tax rate	15.2%	14.8%

In the prior period, a tax credit of £0.7m arose on the net exceptional credit of £3.4m, which is after taking account of a charge arising from the revaluation of Makro's deferred tax asset at the balance sheet date, following enactment on 2 July 2013 of reduced future rates of corporation tax.

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

7. Tax continued

iii) Tax in the statement of comprehensive income

	2015 £m	2014 £m
Deferred tax credit on:		
Pension scheme remeasurements	3.7	1.4

iv) Tax in the statement of changes in equity

	2015 £m	2014 £m
Deferred tax credit on share options granted	4.5	–
Current tax credit on share options exercised	1.7	–
	6.2	–

v) Factors that may affect future current and total tax charge

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013.

This will reduce the Group's future current tax charge accordingly and the deferred tax assets/liabilities at 27 March 2015 have been calculated based on the rate of 20% substantively enacted at the balance sheet date.

8. Earnings per share

a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit for the period attributable to the owners of the Group by the weighted average number of ordinary shares outstanding during the period.

	2015	2014
Profit for the period attributable to the owners of the Group (£m)	117.7	105.2
Weighted average number of shares (m)	1,748.1	1,735.9
Basic earnings per share (pence)	6.73p	6.06p

b) Diluted earnings per share

Diluted earnings per share is based on the weighted average number of ordinary shares in issue adjusted by dilutive outstanding share options and dilutive shares issuable under the Group's share plans. The number of shares included in the diluted EPS in relation to the SAYE and the share option schemes has been calculated in accordance with IAS 33 'Earnings per Share'.

	2015	2014
Profit for the period attributable to the owners of the Group (£m)	117.7	105.2
Weighted average number of shares (m) used in basic EPS	1,748.1	1,735.9
Effects of employee share options (m)	26.7	34.4
Weighted average number of shares (m) used in diluted EPS	1,774.8	1,770.3
Diluted earnings per share (pence)	6.63p	5.94p

The PSP 2014 and the SAYE 2014 options are potentially dilutive instruments but are not included in the calculation of diluted earnings per share because they were anti-dilutive.

9. Business combination

In July 2012, the Group acquired the entire share capital of Makro Holding Limited which had two subsidiaries: Makro Properties Limited and Makro Self Service Wholesalers Limited ('Makro'). The transaction was subject to Competition Commission approval. Full clearance to the acquisition of Makro was received on 19 April 2013 and Makro was consolidated from this date, being the date that control passed to the Group.

Through Booker and Makro coming together, the Group seeks to become the UK's leading wholesaler to caterers, retailers and small businesses by:

- combining the best ranges from Makro and Booker to improve overall choice;
- consolidating buying volumes to improve prices for customers;
- improving service due to an increased capacity for delivery; and
- improving availability by integrating the supply chain.

The acquisition had the following effect on the Group's assets and liabilities as at 19 April 2013:

	Book value £m	Fair value adjustments £m	Fair value £m
Property, plant and equipment	142.2	12.4	154.6
Inventories	67.8	–	67.8
Trade and other receivables	10.6	–	10.6
Trade and other payables	(81.2)	(3.0)	(84.2)
Bank overdraft	(7.9)	–	(7.9)
Deferred tax	–	15.2	15.2
Net fair value of identifiable assets and liabilities	131.5	24.6	156.1
Gain on bargain purchase (included in exceptional items)			11.2
Total consideration			144.9

The fair value adjustments made on acquisition have had the effect of:

- increasing the property valuations;
- providing for onerous contracts; and
- recognising a deferred tax asset in relation to accelerated capital allowances.

The fair value of the consideration is based upon the fair value of the investment held in Makro prior to the date of consolidation. The investment was measured at fair value in accordance with IAS39 as it was an available for sale financial asset. The fair value was initially determined by reference to the consideration transferred as set out below at completion, and the subsequent fair value was considered to be unchanged at both 29 March 2013 and 19 April 2013 and therefore there was no valuation gain or loss recorded in comprehensive income. The subsequent investment fair value was measured by reference to the performance of Makro compared to expectations and the underlying market value of the assets of the business, predominantly properties.

Consideration for purchase of investment comprised of:	£m
Issue of 156,621,525 new ordinary shares – determined by reference to the share price of Booker Group plc at the date of completion, taking into account a discount to reflect the restrictions preventing the shares from being sold for one year after the date of completion	124.2
Cash consideration	15.8
Cash paid to reflect a targeted cash and working capital position as at 30 June 2012	4.9
	144.9

The fair value of assets and liabilities acquired was higher than the fair value of consideration paid, resulting in a 'gain on bargain purchase' of £11.2m, which was included in exceptional items. The Directors considered whether this indicated inappropriate fair values underlying the acquisition accounting and concluded that all the fair values were reasonable.

In accordance with IFRS 3 'Business Combinations', the hindsight adjustment period for the acquisition of Makro Holding Limited and its subsidiaries ended on 19 April 2014. There have been no further changes to the fair value of the consideration or the net assets acquired.

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

10. Property, plant & equipment

	Freehold land and buildings £m	Leasehold improvements £m	Plant, equipment & vehicles £m	Total £m
Cost				
At 29 March 2013	0.3	66.0	264.1	330.4
Additions	0.6	3.9	11.0	15.5
Additions due to acquisition	123.2	6.0	25.4	154.6
Disposals	(14.9)	(0.5)	(28.2)	(43.6)
At 28 March 2014	109.2	75.4	272.3	456.9
Additions	1.3	6.4	15.9	23.6
Disposals	(0.5)	–	(1.3)	(1.8)
Reclassification	6.6	7.0	(0.4)	–
At 27 March 2015	103.4	88.8	286.5	478.7
Depreciation				
At 29 March 2013	–	36.5	222.0	258.5
Provided during the period	3.0	4.7	12.7	20.4
Disposals	–	(0.5)	(26.0)	(26.5)
At 28 March 2014	3.0	40.7	208.7	252.4
Provided during the period	3.7	5.3	11.3	20.3
Disposals	–	–	(1.1)	(1.1)
At 27 March 2015	6.7	46.0	218.9	271.6
Net book value				
At 27 March 2015	96.7	42.8	67.6	207.1
At 28 March 2014	106.2	34.7	63.6	204.5
At 29 March 2013	0.3	29.5	42.1	71.9

The cost of freehold land and buildings includes land of £47.0m (2014: £47.5m) on which depreciation is not provided.

11. Intangible assets

	Goodwill £m	Customer relationships £m	Know-how £m	Total £m
Cost				
At 29 March 2013	436.4	0.5	0.5	437.4
Additions	–	–	2.5	2.5
At 28 March 2014	436.4	0.5	3.0	439.9
Additions	–	–	2.0	2.0
At 27 March 2015	436.4	0.5	5.0	441.9
Amortisation				
At 29 March 2013	–	0.3	0.2	0.5
Charge for the period	–	0.1	0.6	0.7
At 28 March 2014	–	0.4	0.8	1.2
Charge for the period	–	0.1	0.8	0.9
At 27 March 2015	–	0.5	1.6	2.1
Net book value				
At 27 March 2015	436.4	–	3.4	439.8
At 28 March 2014	436.4	0.1	2.2	438.7
At 29 March 2013	436.4	0.2	0.3	436.9

During the period, the Group paid £1m, with a further £1m of contingent consideration payable, in accordance with the procurement agreement with Provenance Too Limited which holds the intellectual property in Provenance Limited. Provenance Too Limited has no other assets or liabilities and the entire consideration has been classified as know-how, since the Group has acquired expertise in the sourcing and supply of 'Fruit and vegetables'.

Goodwill arose in the Group from the following:

- the acquisition of the Big Food Group Limited by Giant Topco Limited in 2005; and
- the acquisition of Ritter-Courivaud Limited in 2010.

Under IAS 36 'Impairment of Assets', the Group is required to test its fixed assets for impairment at least annually, or more frequently if indicators of impairment exist. Impairment reviews compare the carrying value of goodwill, other intangible fixed assets and tangible fixed assets contained in each cash generating unit ('CGU') with its recoverable amount.

The recoverable amount of each CGU is considered to be its value in use, calculated by reference to the pre tax cash flow projections of each CGU based on the Group's approved budget for 2016 and plan for 2017. Cash flows beyond this period are extrapolated into perpetuity using an estimated growth rate of 2% (2014: 2%), being the Directors' estimated view of the long term compound growth in the economy. This is considered appropriate because the CGU is considered to be a long term business. The discount rate used reflects the market assumptions for the risk free rate and equity risk premium and also takes into account the cost of debt.

The main assumptions on which the forecast cash flows were based include the level of sales, gross margin and expenses within the business and have been set by the Directors based on their past experience of the business and its industry together with their expectations of the market. The level of sales depends upon the size of the markets in which the Group operates together with the Directors' estimations of its market share and competitive pressures. Gross margin is dependent upon the net costs to the business of purchasing products together with the level of supplier rebates and income to support sales activities. Expenses are based on the current cost base of the Group adjusted for variable costs and known plans for the business.

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

11. Intangible assets continued

The Directors believe that three CGUs exist within the Group:

a) Ritter (intangible assets of £12.5m and tangible assets of £0.8m)

A pre tax discount rate of 9.7% (2014: 10.4%) has been applied to the projected cash flows.

A sensitivity analysis has been performed in order to review the impact of changes in key assumptions. With all other assumptions held constant, neither a 10% increase in the pre tax discount rate, nor a decline in growth of 10% into perpetuity, would require an impairment to be made.

b) Makro (tangible assets of £130.3m)

A pre tax discount rate of 9.7% (2014: 10.4%) has been applied to the projected cash flows.

A sensitivity analysis has been performed in order to review the impact of changes in key assumptions. With all other assumptions held constant, neither a 5% increase in the pre tax discount rate, nor a decline in growth of 5% into perpetuity, would require an impairment to be made.

c) Remaining business (intangible assets of £427.3m and tangible assets of £75.5m)

A pre tax discount rate of 9.7% (2014: 10.5%) has been applied to the projected cash flows.

A sensitivity analysis has been performed in order to review the impact of changes in key assumptions. With all other assumptions held constant, neither a 10% increase in the pre tax discount rate, nor a decline in growth of 10% into perpetuity, would require an impairment to be made.

The Directors believe that the assumptions on which the carrying value of intangible and tangible fixed assets is supported are reasonable and that no impairment to fixed assets is required.

12. Investment in joint venture

	2015 £m	2014 £m
At start of period	1.1	0.6
Addition	0.7	0.9
Share of loss for the period	(0.4)	(0.4)
At end of period	1.4	1.1

During the period the Group invested £0.7m in its joint venture, Booker Satnam Wholesale Private Limited. Whilst at the year end, the group owned 83% (2014: 78%) of the share capital, the Group has joint control through the contractually agreed sharing of control. The share of loss for the period has been included within administrative expenses and has not been disclosed separately on the face of the income statement in view of its materiality.

13. Other investments

	2015 £m	2014 £m
At start of period	–	144.9
Consolidated as a subsidiary from 19 April 2013 (see note 9)	–	(144.9)
At end of period	–	–

In July 2012, the Group acquired Makro Holding Limited from Metro AG in exchange for 156,621,525 new ordinary shares and a cash consideration of £15.8m. Makro Holding Limited had two subsidiaries; Makro Properties Limited and Makro Self Service Wholesalers Limited.

This was held as an investment at 29 March 2013, while the transaction was subject to Competition Commission approval and, whilst this process was in progress, the Group was required to hold Makro separate from the rest of Booker in accordance with undertakings given to the competition authorities in the normal way. As a result, the Group had neither control nor significant influence over Makro at the 2013 year end, and therefore it did not meet the requirements for consolidation as set out in IFRS3 (revised) 'Business Combinations' and IAS27 'Consolidated and Separate Financial Statements'. In accordance with IAS39 'Financial Instruments: Recognition and Measurement', the investment was initially held as an available for sale financial asset.

Full clearance to the transaction was received by the Competition Commission on 19 April 2013 and Makro was consolidated from this date, being the date that control passed to the Group.

14. Deferred tax assets and liabilities

Recognised deferred tax assets

The following are the major deferred tax assets recognised by the Group:

	Decelerated tax depreciation £m	Short term timing differences £m	Retirement benefit obligations IAS 19 £m	Property leases IAS17 £m	Trading losses £m	Share based payments IFRS 2 £m	Total £m
At 29 March 2013	2.6	0.6	1.6	3.5	3.2	2.0	13.5
On acquisition of Makro	15.2	–	–	–	–	–	15.2
(Over)/understatement in respect of prior year deferred tax	(0.1)	0.2	–	–	(0.5)	(0.2)	(0.6)
Credit/(charge) to the income statement	(4.4)	(0.1)	(2.3)	(0.4)	(0.7)	0.1	(7.8)
Exceptional tax charge	(1.6)	–	–	–	–	–	(1.6)
Credit to equity	–	–	1.4	–	–	–	1.4
At 28 March 2014	11.7	0.7	0.7	3.1	2.0	1.9	20.1
(Over)/understatement in respect of prior year deferred tax	–	1.0	–	–	(0.7)	–	0.3
Credit/(charge) to the income statement	(0.2)	0.2	(0.5)	–	(0.5)	0.5	(0.5)
Credit to equity	–	–	3.7	–	–	4.5	8.2
At 27 March 2015	11.5	1.9	3.9	3.1	0.8	6.9	28.1

IAS 12 'Income Taxes' requires the offsetting of balances within the same tax jurisdiction. All of the deferred tax assets were available for offset against deferred tax liabilities.

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

14. Deferred tax assets and liabilities continued

Unrecognised deferred tax assets

Based on an assessment of the quantum and timing of future taxable profits, deferred tax assets have not been recognised in respect of the following:

	2015 £m	2014 £m
Tax losses	16.7	19.6
Surplus ACT carried forward	25.2	27.7
	41.9	47.3

The Group has unrecognised deferred tax assets:

- unutilised tax trading losses from both UK and overseas operations of £76.9m, £16.7m cash benefit, (2014: £93.3m, £19.6m cash benefit);
- surplus ACT of £25.2m, £25.2m cash benefit (2014: £27.7m, £27.7m cash benefit).

These have not been recognised following a detailed assessment by the Group in accordance with the accounting policy set out in note 2.

The tax trading losses have various expiry dates the earliest of which, in respect of £1.2m of the losses, is 31 March 2018. There are no expiry dates attributed to the surplus ACT.

The Group does not have any unremitted overseas earnings.

15. Inventories

	2015 £m	2014 £m
Goods held for resale	328.1	327.6

16. Trade and other receivables

	2015 £m	2014 £m
Trade receivables	78.7	64.6
Allowance for doubtful debts	(4.3)	(4.3)
	74.4	60.3
Prepayments and accrued income	50.1	53.3
	124.5	113.6

Trade receivables of £74.4m (2014: £60.3m) comprise principally of amounts receivable from the sale of goods and are classified as loans and receivables in note 18. All amounts are expected to be received within twelve months.

The movement in the allowance for doubtful debts is as follows:

	2015 £m	2014 £m
At start of period	4.3	4.3
Utilised in the period	(1.0)	(0.7)
Charged to income statement	1.0	0.7
	4.3	4.3

17. Trade and other payables

	2015 £m	2014 £m
i) Current		
Trade payables	505.4	496.2
Other taxes and social security costs	30.1	28.8
Other payables	7.2	7.1
Accruals and deferred income	43.3	54.1
	586.0	586.2
ii) Non-Current		
Accruals and deferred income	26.9	27.5

£586.0m (2014: £586.2m) of trade and other payables are classified under financial liabilities in note 18.

The non-current accruals and deferred income relate to lease incentives and guaranteed minimum lease payments, which are accounted for on a straight line basis in accordance with the Group's accounting policy.

18. Financial instruments

Details of significant accounting policies and methods adopted, including the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2.

The book value and fair value of the financial instruments are as follows:

	Book value		Fair value	
	2015 £m	2014 £m	2015 £m	2014 £m
Financial assets				
Loans and other receivables	74.4	60.3	74.4	60.3
Cash and cash equivalents	147.0	149.6	147.0	149.6
	221.4	209.9	221.4	209.9
Financial liabilities				
Trade and other payables	(586.0)	(586.2)	(586.0)	(586.2)
Property guarantees	(5.0)	(5.0)	(5.0)	(5.0)
	(591.0)	(591.2)	(591.0)	(591.2)

Loans and other receivables represent amounts receivable from the sale of goods, together with amounts due from supplier rebates (see note 16) and are initially measured at fair value and then subsequently held at amortised cost.

Fair value of property guarantees have been estimated by discounting estimated future cash flows based on the terms and maturity and risk of each guarantee crystallising.

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

18. Financial instruments continued

Fair value hierarchy

The table below analyses financial instruments measured at fair value, into a fair value hierarchy based on the valuation technique used to determine fair value:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
2015				
Financial assets	–	221.4	–	221.4
Financial liabilities	–	(591.0)	–	(591.0)
2014				
Financial assets	–	209.9	–	209.9
Financial liabilities	–	(591.2)	–	(591.2)

There have been no transfers between categories during the period.

Liquidity risk

The Group will finance operations and growth from existing cash resources, finance leases and committed borrowing facilities to ensure the constant availability of an appropriate amount of reasonably priced funding to meet both current and future forecast requirements.

In July 2011, the Group negotiated an unsecured bank facility of £120m for a period of 5 years. The revolving credit facility bears floating interest rates linked to LIBOR plus a margin of 1.25%. In the event of default of covenants on the bank facility, any drawn facility and any interest accrued are repayable on demand.

	2015 £m	2014 £m
Facility available	120.0	120.0
Bank guarantees	(7.0)	(7.0)
Undrawn facility available	113.0	113.0

The following is an analysis of the undiscounted contractual cash flows payable under financial liabilities:

	Due within 1 year £m	Due between 1 and 2 years £m	Due between 2 and 3 years £m	Due between 3 and 4 years £m	Over 4 years £m
2015					
Trade and other payables	591.0	–	–	–	–
2014					
Trade and other payables	591.2	–	–	–	–

It is not possible to quantify the timing of the cash flows relating to the property guarantees.

The undiscounted cash flows for borrowings differ from their carrying value in the balance sheet due to the inclusion of contractual interest payments and the adjustment for non cash items including unamortised borrowing costs. The undiscounted cash flows for financial instruments reflect the amounts payable on these instruments which differs from the fair value recorded on the balance sheet. There is no difference between the discounted and undiscounted cash flows associated with trade payables due to their short term nature.

Credit risk

The Group is predominantly a cash sales business with low levels of trade receivables in comparison to total sales for the year and has no significant concentration of credit risk, with exposure spread over a large number of customers. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The Group has an accounting policy to provide for certain overdue trade receivables based on past experience, and believe that there are no significant unprovided overdue financial assets.

Interest rate risk

Interest rate risk is relatively small to the Group, as there are no fixed borrowings and the revolving credit facility is only partially drawn for a small part of the year. Therefore the Group has chosen not to hedge its borrowings.

Capital risk

The Group's objectives when managing capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In assessing the level of capital all components of equity are taken into account (i.e. share capital and retained earnings). The Group has £147.0m of net cash as at 27 March 2015 and is not subject to externally imposed capital requirements. Management of capital therefore focuses around its ability to generate cash from its operations.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to raise funds. The Group believes it is meeting its objectives for managing capital as funds are available for reinvestment where necessary as well as being in a position to make returns to shareholders where this is felt appropriate.

Foreign currency risk

Less than 1% of purchases are denominated in foreign currencies.

The majority of sales are denominated in sterling, with the exception of sales made from the Group's Indian operation which are denominated in rupees.

The Directors do not consider that the Group has significant exposure to movements in foreign exchange and the Group does not hold any foreign exchange contracts.

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

19. Post employment benefits

The Group operates a variety of post employment benefit arrangements, covering both funded defined benefit and funded defined contribution schemes to provide benefits to both full-time and part-time employees.

Defined contribution schemes

Pension contributions of £5.3m (2014: £5.0m) were charged to defined contribution schemes in the period. Included within accruals is £0.4m (2014: £0.4m) of outstanding pension contributions.

Defined benefit schemes

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

The benefit obligations as at 27 March 2015 have been calculated by an independent actuary on an IAS 19 basis using the results of the 31 March 2013 triennial actuarial valuation which has then been updated to 27 March 2015. The present value of the defined benefit obligation has been calculated using the projected unit credit method.

(a) Major assumptions used by the actuary

	2015	2014
Discount rate	3.40%	4.45%
RPI inflation	2.95%	3.20%
CPI inflation	1.95%	2.20%
Rate of increase in salaries	1.95%	3.20%
Pension increases in payment	2.90%	3.15%

For pension increases in payment, the most significant assumption is for increases which are linked to RPI inflation capped at 6% each year. This assumption is disclosed in the table above.

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

		2015	2014
Aged 65 retiring immediately (current pensioner)	Male	21.5	21.5
	Female	23.7	23.7
Aged 40 retiring at 65 (future pensioner)	Male	22.7	22.7
	Female	25.1	25.1

At 27 March 2015, the weighted average duration of the defined benefit obligation is approximately 16 years.

(b) The amounts recognised in the balance sheet

	2015 £m	2014 £m
Equities	110.4	285.2
Diversified growth funds	151.3	–
Bonds	328.5	280.6
Property	51.5	44.4
Cash	7.8	0.8
Fair value of scheme assets	649.5	611.0
Present value of defined benefit obligation	(669.2)	(614.6)
Net liability arising from defined benefit obligation	(19.7)	(3.6)

The bid value of the assets was provided by each of the various fund managers in which the Scheme is invested. All scheme assets have quoted prices. Based on the Scheme's current liability and membership profile, as well as the Company's objectives, the Trustee has chosen to retain a strategic allocation of approximately 48% to growth assets and 52% to matching assets until 2028.

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

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

	2015 £m	2014 £m
Opening fair value of scheme assets	611.0	608.7
Employer contributions	2.4	9.6
Interest income	26.3	25.9
Return on assets (less amount included in net interest expense)	49.8	(1.7)
Benefits paid	(40.0)	(31.5)
Closing fair value of scheme assets	649.5	611.0

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

	2015 £m	2014 £m
Opening defined benefit obligation	(614.6)	(615.5)
Interest cost	(26.3)	(25.9)
Remeasurement gains/(losses):		
Actuarial (losses)/gains from changes in financial assumptions	(72.9)	14.1
Actuarial (losses)/gains from changes in demographic assumptions	–	(19.1)
Actuarial gains arising from experience adjustments	4.6	0.3
Benefits paid	40.0	31.5
Closing defined benefit obligation	(669.2)	(614.6)

(e) Movement in the net defined benefit liability

	2015 £m	2014 £m
Opening net defined benefit liability	(3.6)	(6.8)
Employer contributions	2.4	9.6
Net charge recognised in the income statement	–	–
Total remeasurements included in OCI	(18.5)	(6.4)
Closing net defined benefit liability	(19.7)	(3.6)

(f) Amounts recognised in the income statement

	2015 £m	2014 £m
Interest income on scheme assets	26.3	25.9
Interest cost on defined benefit obligation	(26.3)	(25.9)
Net interest expense on defined benefit obligation	–	–

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

19. Post employment benefits continued

Defined benefit schemes continued

(g) Sensitivities

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

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

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

(h) Contributions to be paid

The Trustees have completed their 31 March 2013 triennial valuation of the Scheme, at which time they assessed the funding position to be a shortfall of approximately £24m. This shortfall was expected to be recovered through Company deficit contributions (£9.6m paid into the Scheme in the year ending 31 March 2014 and £2.4m paid into the Scheme in the year ending 31 March 2015) and the returns achievable on the assets of the Scheme.

No further contributions to the Scheme are expected to be made until the funding position is reviewed following the next actuarial valuation of Scheme, which is scheduled for 31 March 2016.

20. Provisions

	Property provisions £m	Other £m	Total £m
At 28 March 2014	20.5	5.0	25.5
Unwinding of discount	1.3	–	1.3
Charged to income statement	1.9	–	1.9
Utilised	(3.3)	–	(3.3)
At 27 March 2015	20.4	5.0	25.4

The property provisions principally relate to:

- the onerous leases on 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 programme of removal.

Property provisions are discounted at 7.0% (2014: 7.0%), being the long term expected yield for the Group's leased properties and are expected to be utilised over the terms of the leases, with approximately £3.0m expected to be utilised in the year to March 2016.

Other provisions relate to third party property guarantees, for which the timing and quantum of payments is uncertain. Payment could be made on demand and the provision represents management's current estimate of the future liability.

21. Share capital

	Number of shares	Share capital £m
Allotted, called up and fully paid		
At 28 March 2014	1,743,092,647	17.4
Share options exchanged (see note 24)	1,076,999	0.1
Share options exercised (see note 24)	10,845,043	0.1
At end of period	1,755,014,689	17.6

The total authorised number of ordinary shares is 2,000,000,000 (2014: 2,000,000,000) with a par value of £0.01 per share.

The holders of ordinary shares are entitled to receive dividends and are entitled to one vote per share at meetings of the Company.

6,661,793 ordinary shares in the Company (representing 0.38% of total shares issued) are held in trust by Booker EBT Limited, the trustee of the Booker Employee Benefit Trust which was established in 2006 to hold shares on a discretionary basis for the benefit of employees of the Group from time to time. There has been no movement in the number of shares held in the trust during the year.

22. Share capital and reserves

For movements in share capital and reserves please refer to the Consolidated Statement of Changes in Equity.

The merger reserve represents the capital adjustment required to reserves to effect the reverse acquisition.

The capital redemption reserve relates to the redemption of B shares, as described in note 23.

The other reserve represents the premium over the nominal value of the shares issued in relation to acquisitions less any returns of capital.

The share option reserve comprises the fair value of outstanding share options charged to the profit and loss account.

23. Dividends and return of capital

Dividends charged to reserves

	2015 £m	2014 £m
Final dividend of 2.75 pence per share (2014: 2.25 pence per share) paid in respect of the prior period	47.8	38.8
Interim dividend of 0.52 pence per share (2014: 0.45 pence per share) paid in respect of the current period	9.1	7.8
	56.9	46.6

The Directors are proposing a final dividend of 3.14 pence per share, which will absorb £55m of distributable reserves. Subject to shareholder approval at the AGM, to be held on 8 July 2015, the dividend will be paid on 10 July 2015 to shareholders on the register at 12 June 2015. The shares will go ex-dividend on 11 June 2015.

Return of Capital

On 21 July 2014 the Company issued 1,743,934,763 B shares that were redeemable by the shareholder.

On 22 July 2014 the Company redeemed 1,740,934,613 B shares for 3.5 pence per share (a total of £60.9m) and the shares were cancelled.

The 3,000,150 remaining B shares (a total of £0.1m) have been classified as a financial liability in accruals and deferred income, and were redeemed on 30 April 2015 for 3.5 pence per share. Following the redemption, such B shares were cancelled.

The Board is proposing to implement another capital return to shareholders of 3.50 pence per ordinary share (at a cost of approximately £62m, based on the current issued share capital of the company). It is proposed that this is achieved by the issue of a new class of 'B' shares. The return of capital requires the approval of shareholders, which will be sought at the AGM on 8 July 2015.

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

24. Share based payments

The Group has a number of share schemes for employees. The total charge for the period relating to employee share-based payments was £5.3m (2014: £4.3m), all of which related to equity-settled share based payment transactions.

a) Sharesave schemes

The Sharesave scheme has been in operation since 2008 and all employees are eligible to participate once the necessary service requirements have been met. Options are offered at a discount of 20% to the average of the market value of a share on the three dealing days immediately preceding the offer. Options are exercisable three years after the commencement of the savings contract and not more than six months thereafter. The options granted have been fair valued using the Black Scholes option pricing model, using the following assumptions:

	SAYE 2014	SAYE 2013	SAYE 2012
Grant date	November 2014	November 2013	December 2012
Share price at grant date	144.60p	152.30p	97.60p
Exercise price	94.61p	112.21p	79.21p
Expected volatility	25%	24%	26%
Expected life	3.2 years	3.2 years	3.2 years
Risk free rate	1.07%	0.91%	0.54%
Expected dividend yield	3.02%	1.77%	2.39%
Fair value at grant date	46.0p	44.0p	23.0p

b) Performance Share Plans (PSP)

In 2008 a discretionary PSP for the benefit of certain employees was established by the Remuneration Committee. The awards are free share-based awards and normally vest three years after the grant date, provided relevant performance criteria have been met.

PSP 2012, 2013 and 2014

The options granted in November 2012 (6.0 million options), October 2013 (4.2 million options) and October 2014 (6.9 million options) to senior employees all had the same conditions. They will vest and become exercisable three years from the date of the award subject to continued employment and the performance conditions mentioned below being satisfied and will lapse if not exercised within ten years of the date of award. The awards are granted in two tranches:

i) Earnings Per Share (EPS) condition

50% of each award will be linked to an absolute EPS performance target with 25% of this element vesting for achieving growth of 6% per annum and rising on a straight line basis with full vesting requiring 12% growth per annum, as measured at the year end prior to the grant and then 3 years later.

ii) Total Shareholder Return (TSR) condition

50% of each award will be linked to an Absolute TSR performance target with 25% of this element vesting for achieving growth of 8% per annum and rising on a straight line basis with full vesting requiring 15% growth per annum, when measured over the 3 years from the grant date.

PSP 2011

The awards under the PSP 2011 have vested and 4.2 million remain to be exercised.

PSP 2010 (a)

The awards under the PSP 2010 (a) have vested and 5.2 million remain to be exercised.

PSP 2010 (b)

In connection with his appointment to the board, Guy Farrant was granted a special performance share award (in the form of a nil-cost option) over 3.9 million shares. The award has now vested and 2.5 million remain to be exercised.

PSP 2008

The awards under the PSP 2008 have vested and 1.8 million remain to be exercised.

The options granted have been fair valued using the Monte Carlo option pricing model, using the following assumptions:

	PSP 2014	PSP 2013	PSP 2012	PSP 2011	PSP 2010 (a)	PSP 2010 (b)	PSP 2008
Grant date	Oct 14	Oct 13	Nov 12	Nov 11	Oct 10	Oct 10	Jul 08
Share price at grant date	121.40p	141.90p	99.30p	78.95p	53.75p	53.75p	23.75p
Expected volatility	25%	24%	26%	27%	30%	30%	25%
Expected life	3 years	3 years	3 years	3 years	3 years	1–3 years	2–3 years
Risk free rate	0.95%	0.89%	0.44%	0.7%	1.1%	1.1%	5.0%
Expected dividend yield	3.59%	1.90%	2.35%	2.2%	2.4%	2.4%	2.5%
Fair value of TSR component	32.0p	51.0p	33.0p	29.0p	23.5p	31.8p	8.4p
Fair value of EPS component	109.0p	134.0p	93.0p	n/a	n/a	n/a	n/a

The terms and conditions of the outstanding share based payments are as follows:

		Grant date	Number (m)	Vesting period	Expiry date	Exercise price
SAYE 2014	SAYE to all staff	November 2014	7.9	3.2 year service	January 2018	94.61p
PSP 2014	Option granted to senior employees	October 2014	6.9	3 year service	October 2024	nil
SAYE 2013	SAYE to all staff	November 2013	5.9	3.2 year service	January 2017	112.21p
PSP 2013	Option granted to senior employees	October 2013	4.9	3 year service	October 2023	nil
PSP 2012	Option granted to senior employees	November 2012	6.0	3 year service	November 2022	nil
SAYE 2012	SAYE to all staff	December 2012	3.1	3.2 year service	February 2016	79.21p
PSP 2011	Option granted to senior employees	November 2011	4.2	Vested	November 2021	nil
PSP 2010 (a)	Option granted to senior employees	October 2010	5.2	Vested	October 2020	nil
PSP 2010 (b)	Option granted to senior employee	October 2010	2.5	Vested	October 2020	nil
PSP 2008	Option granted to senior employees	July 2008 – July 2009	1.8	Vested	July 2018 – July 2019	nil
			48.4			

The number and weighted average exercise price of options is as follows:

	2015		2014	
	Number of share options Million	Weighted average exercise price Pence	Number of share options Million	Weighted average exercise price Pence
Outstanding at beginning of period	49.4	33.0	52.2	16.0
Granted	14.9	51.2	12.7	64.2
Lapsed	(4.6)	69.7	(0.4)	34.8
Forfeited	(0.5)	–	(1.8)	–
Exercised	(10.8)	38.7	(13.3)	0.2
Outstanding at end of period	48.4	34.3	49.4	33.0
Exercisable at end of period	13.7		10.6	

Under the rules of the PSP 2010-2014 schemes, tax approved Company Share Option Plan ('CSOP') options were also granted with an exercise price equal to the market value of the shares at the time of grant.

During the period, employees forfeited 0.5m (2014: 1.8m) PSP options for 1.1m (2014: 2.7m) CSOP options, which were immediately exercised at a cost equal to the share price at the date the original PSP was granted.

NOTES TO THE GROUP FINANCIAL STATEMENTS CONTINUED

25. Operating leases

The Group leases a number of trading properties under operating leases. The leases are typically of 5 to 15 years duration, although some have lessee only break clauses. Lease payments are reviewed as contracted and increases applied accordingly. The Group also leases certain items of plant and equipment.

Operating lease payments represent rents payable by the Group for certain of its wholesale, distribution and office properties and other assets such as motor vehicles. The leases have varying terms, escalation charges and renewal rights.

At the balance sheet date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Land and buildings		Others	
	2015 £m	2014 £m	2015 £m	2014 £m
Within one year	52.0	51.6	10.3	9.3
Within two to five years	186.4	185.7	15.1	12.2
After five years	237.6	285.0	–	–
	476.0	522.3	25.4	21.5

The Group subleases various wholesale, distribution and office properties under non-cancellable operating leases. The total minimum operating sublease receipts expected to be received are as follows:

	2015 £m	2014 £m
Within one year	1.2	0.8
Within two to five years	1.0	1.5
After five years	1.6	1.7
	3.8	4.0

26. Capital commitments

The outstanding commitments at 27 March 2015 in respect of contracted capital expenditure not provided for amounted to approximately £2.1m (2014: £1.9m).

27. Related party transactions

Only members of the Board are key management personnel. It is the Board who have responsibility for planning, directing and controlling the activities of the Group. Board compensation is disclosed in the Remuneration Report.

During the year, there were no transactions or balances between the Group and its key management personnel or members of their close family apart from:

- the Group purchases stock from:
 - Molson Coors Brewing Co (UK) Ltd – Lord Bilimoria is the Chairman of the Cobra Beer Partnership Ltd, a joint venture with Molson Coors Brewing Co (UK) Ltd;
 - C&C Group plc, of which Stewart Gilliland is a Non-Executive Director;
 - Tulip Ltd, of which Stewart Gilliland is a Non-Executive Director;
 - Boparan Holdings Ltd, of which Andrew Cripps is a Non-Executive Director.
- and the Group sells stock to:
 - Mitchells & Butlers plc, of which Stewart Gilliland is a Non-Executive Director;
 - Food & Fuel Ltd, of which Karen Jones is the Chairman.

All transactions with related parties involve the normal supply of goods and are priced on an arm's length basis.

28. Post balance sheet events

On 20 May 2015, the Group signed a sale and purchase agreement to acquire the entire issued share capital of Musgrave Retail Partners GB Ltd for £40m, to be satisfied in cash. Completion of the acquisition is conditional on the approval of the Competition and Markets Authority.

COMPANY BALANCE SHEET

As at 27 March 2015

	Note	2015 £m	2014 £m
Fixed assets			
Investments	3	40.0	34.7
Debtors	4	404.4	320.4
Creditors due within one year	5	(73.1)	(26.2)
Net current assets		331.3	294.2
Net assets		371.3	328.9
Capital and reserves			
Share capital	6	17.6	17.4
Share premium	8	41.2	36.4
Capital redemption reserve	8	60.9	–
Other reserves	8	75.8	136.8
Share option reserve	8	11.2	8.5
Retained earnings	8	164.6	129.8
Shareholders' funds	10	371.3	328.9

These financial statements were approved by the Board of Directors on 20 May 2015 and were signed on its behalf by:

Charles Wilson
Director

Jonathan Prentis
Director

Booker Group plc
Company number 05145685

NOTES TO THE COMPANY FINANCIAL STATEMENTS

1. Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention in accordance with applicable United Kingdom Generally Accepted Accounting Practice ('UK GAAP'). The following principal accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

The Company has taken advantage of the exemption contained in section 408 of the Companies Act 2006 from presenting its own profit and loss account.

The Company has taken the exemption in FRS1 (5a) and consequently no cash flow is presented for the Company.

Guarantees

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.

Investments

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

Share based payments

The Company has issued equity settled share based payments to employees of a subsidiary. The fair value is measured using an option valuation model, taking into account the terms and conditions upon which the options were granted. This fair value is accounted as an investment in the subsidiary with a corresponding increase in equity.

2. Profit and loss account

In accordance with the exemption permitted by section 408 of the Companies Act 2006, the profit and loss account of the Company is not presented separately. The profit recognised for the 52 weeks ended 27 March 2015 was £150.0m (52 weeks ended 28 March 2014: profit £119.9m).

The audit fee of £0.1m (2014: £0.1m) for the current and prior period was borne by another group undertaking without recharge.

3. Investments

	Shares in subsidiary undertakings £m	Capital contribution £m	Total £m
Cost and net book value			
At start of period	20.0	14.7	34.7
Capital contribution	–	5.3	5.3
At end of period	20.0	20.0	40.0

The capital contribution relates to the cost of granting share based payments to employees of subsidiary undertakings – details are shown in note 24 of the Group financial statements.

The Company's principal subsidiary undertakings at 27 March 2015, all of which are wholly owned are as follows:

Name of company	Principal activity	Incorporation
Booker Limited	Wholesaler	UK
Booker Direct Limited	Wholesaler	UK
Booker Wholesale Holdings Limited (previously Giant Topco Limited)*	Intermediate holding company	UK
Ritter-Courivaud Limited	Wholesaler	UK
Booker India Private Limited	Wholesaler	India
Makro Holding Limited	Intermediate holding company	UK
Makro Self Service Wholesalers Limited	Wholesaler	UK

* Direct subsidiary of Booker Group plc

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

4. Debtors

	2015 £m	2014 £m
Amounts owed by Group undertakings	404.4	320.4

Amounts owed by Group undertakings are interest free, unsecured and payable on demand.

5. Creditors due within one year

	2015 £m	2014 £m
Amounts owed to Group undertakings	73.1	26.2

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

6. Share capital

	Number of shares	Share capital £m
Allotted, called up and fully paid		
At start of period	1,743,092,647	17.4
Share options exchanged	1,076,999	0.1
Share options exercised	10,845,043	0.1
At end of period	1,755,014,689	17.6

The total authorised number of ordinary shares is 2,000,000,000 (2014: 2,000,000,000) with a par value of £0.01 per share.

6,661,793 ordinary shares in the Company (representing 0.38% of total shares issued) are held in trust by Booker EBT Limited, the trustee of the Booker Employee Benefit Trust which was established in 2006 to hold shares on a discretionary basis for the benefit of employees of the Group from time to time. There has been no movement in the number of shares held in the trust during the year.

7. Share options

The Company has a number of share schemes for employees of the Group, details are shown in note 24 of the Group financial statements.

8. Reserves

	Share capital £m	Share premium £m	Capital redemption reserve £m	Other reserves £m	Share option reserve £m	Retained earnings £m	Total £m
At start of period	17.4	36.4	–	136.8	8.5	129.8	328.9
Retained profit for the period	–	–	–	–	–	150.0	150.0
Dividend	–	–	–	–	–	(56.9)	(56.9)
Group share based payment charge	–	–	–	–	5.3	–	5.3
Issue B shares	–	–	–	(61.0)	–	–	(61.0)
Redemption of B shares	–	–	60.9	–	–	(60.9)	–
Shares issued	–	4.8	–	–	–	–	4.8
Share options exercised	0.2	–	–	–	(2.6)	2.6	0.2
At end of period	17.6	41.2	60.9	75.8	11.2	164.6	371.3

NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

9. Dividends and return of capital

Dividends charged to reserves

	2015 £m	2014 £m
Final dividend of 2.75 pence per share (2014: 2.25 pence per share) paid in respect of the prior period	47.8	38.8
Interim dividend of 0.52 pence per share (2014: 0.45 pence per share) paid in respect of the current period	9.1	7.8
	56.9	46.6

The Directors are proposing a final dividend of 3.14 pence per share, which will absorb £55m of distributable reserves. Subject to shareholder approval at the AGM, to be held on 8 July 2015, the dividend will be paid on 10 July 2014 to shareholders on the register at 12 June 2015. The shares will go ex-dividend on 11 June 2015.

Return of Capital

On 21 July 2014 the Company issued 1,743,934,763 B shares that were redeemable by the shareholder.

On 22 July 2014 the Company redeemed 1,740,934,613 B shares for 3.5 pence per share (a total of £60.9m) and the shares were cancelled.

The 3,000,150 remaining B shares (a total of £0.1m) have been classified as a financial liability in accruals and deferred income, and were redeemed on 30 April 2015 for 3.5 pence per share. Following the redemption, such B shares were cancelled.

The Board is proposing to implement another capital return to shareholders of 3.50 pence per ordinary share (at a cost of approximately £62m, based on the current issued share capital of the company). It is proposed that this is achieved by the issue of a new class of 'B' shares. The return of capital requires the approval of shareholders, which will be sought at the AGM on 8 July 2015.

10. Reconciliation of movement in shareholders' funds

	2015 £m	2014 £m
Profit for the period	150.0	119.9
Dividend	(56.9)	(46.6)
Group share based payment charge	5.3	4.3
Return of capital	(61.0)	–
Shares issued	4.8	–
Share options exercised	0.2	1.6
Shareholders' funds at the start of the period	328.9	249.7
Shareholders' funds at the end of the period	371.3	328.9

11. Related party transactions

The Company has taken advantage of the exemption under FRS 8 'Related Party Transactions' not to provide details of related party transactions with other wholly owned Group companies, as the Company financial statements are presented together with the consolidated Group financial statements.

DIRECTORS, OFFICERS AND PROFESSIONAL ADVISERS

Directors

Richard Rose
Non-Executive Chairman

Charles Wilson
Chief Executive

Jonathan Prentis
Group Finance Director

Guy Farrant
Executive Director

Bryn Satherley
Executive Director

Lord Bilimoria
Non-Executive Director

Helena Andreas
Non-Executive Director

Andrew Cripps
Non-Executive Director

Stewart Gilliland
Non-Executive Director

Karen Jones
Non-Executive Director

Company Secretary

Mark Chilton

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