

# Notes to the Company financial statements

## continued

### 50 Deferred taxation assets/(liabilities)

	Retirement benefit obligation £m	Other employee benefits £m	Accelerated tax depreciation £m	Revaluation of buildings £m	Other £m	Total £m
At start of prior period	6.0	0.4	0.3	(1.1)	–	5.6
(Charged)/credited to income statement	(7.8)	–	0.2	–	0.3	(7.3)
Restructuring items	(1.8)	–	0.1	–	–	(1.7)
Charged to equity	(12.8)	(0.1)	–	0.1	–	(12.8)
At start of period	(16.4)	0.3	0.6	(1.0)	0.3	(16.2)
(Charged)/credited to income statement	(3.0)	0.9	(2.5)	–	–	(4.6)
Restructuring items	(1.6)	–	3.2	–	–	1.6
Movement on deferred tax due to change in legislation	–	–	(7.3)	–	–	(7.3)
Charged to equity	39.9	0.3	–	0.1	–	40.3
<b>At end of period</b>	<b>18.9</b>	<b>1.5</b>	<b>(6.0)</b>	<b>(0.9)</b>	<b>0.3</b>	<b>13.8</b>

IAS 12 'Income taxes' permits the offsetting of balances within the same tax jurisdictions. All of the deferred tax assets were available for offset against deferred tax liabilities.

The movement on deferred tax due to the change in legislation arose from the amendments to the industrial buildings allowance regime which were substantively enacted in the Finance Act 2008.

No deferred tax has been provided on capital losses totalling £56.0m at 28 March 2009 (2007/08: £56.0m) as it is uncertain when these losses will be utilised against future taxable gains. The unprovided deferred tax asset on these losses is £15.7m (2007/08: £15.7m).

### 51 Share capital

For further detail regarding the share capital see note 28 within the Group disclosure notes.

### 52 Reserves

	Share premium account £m	Capital redemption reserve £m	Reserve for own shares £m	ESOT reserve £m	Hedging reserve £m	Other reserves £m	Retained earnings £m
At start of period	65.1	23.6	(34.2)	(4.2)	2.9	3.3	450.1
Net profit for period	–	–	–	–	–	–	99.6
Dividends	–	–	–	–	–	–	(21.0)
Actuarial gains on defined benefit pension schemes net of deferred tax	–	–	–	–	–	–	22.7
Purchase of equity share capital	–	–	(5.3)	–	–	–	–
Equity settled incentive schemes net of deferred tax	–	–	–	–	–	1.0	–
Increase in fair value of cash flow hedge	–	–	–	–	2.4	–	–
Transfer to profit or loss on cash flow hedge	–	–	–	–	1.1	–	–
Purchase of shares for ESOT	–	–	–	(4.1)	–	–	–
Other movements	–	–	–	–	–	–	0.1
At start of period	65.1	23.6	(39.5)	(8.3)	6.4	4.3	551.5
Net profit for period	–	–	–	–	–	–	(76.1)
Dividends	–	–	–	–	–	–	(20.7)
Actuarial gains on defined benefit pension schemes net of deferred tax	–	–	–	–	–	–	(101.4)
Purchase of equity share capital	–	–	(11.0)	–	–	–	–
Equity settled incentive schemes net of deferred tax	–	–	–	–	–	3.0	–
Increase in fair value of cash flow hedge	–	–	–	–	30.8	–	–
Transfer to profit or loss on cash flow hedge	–	–	–	–	(30.3)	–	–
Purchase of shares for ESOT	–	–	–	(0.5)	–	–	–
Other movements	–	–	–	–	–	(0.1)	–
<b>At end of period</b>	<b>65.1</b>	<b>23.6</b>	<b>(50.5)</b>	<b>(8.8)</b>	<b>6.9</b>	<b>7.2</b>	<b>353.3</b>

For further detail regarding reserves see note 29 within the Group disclosure notes. Retained earnings include £192.4m (2007/08: £192.4m) of undistributable reserves.

## 53 Reconciliation of net cash from operating activities

	Notes	2009 £m	2008 £m
(Loss)/profit from operations		(80.9)	12.1
<b>Adjustments for:</b>			
Depreciation of property, plant and equipment	42	3.7	4.4
Impairment of property, plant and equipment	42	13.1	1.3
Loss on disposal of property, plant and equipment		–	0.2
Impairment of investments in subsidiaries		–	17.0
Decrease in provisions		(0.6)	(2.0)
Change in retirement benefit obligation excluding special contributions		(2.6)	1.8
Equity settled incentive schemes		2.7	1.1
Other non-cash movements		0.2	–
Operating cash flow before movement in working capital and special pension contributions		(64.4)	35.9
Special pension contributions		–	(22.0)
Operating cash flow before movement in working capital		(64.4)	13.9
Movement in trade and other receivables (including movement on intercompany balances)		33.8	260.8
Movement in trade and other payables (including movement on intercompany balances)		73.9	(247.2)
Cash from operations		43.3	27.5
Interest paid		(13.8)	(14.9)
Taxation recovered		(0.8)	0.1
<b>Net cash from operating activities</b>		<b>28.7</b>	<b>12.7</b>

## 54 Operating lease commitments

Outstanding commitments for future minimum lease payments under non-cancellable operating leases fall due as follows:

	2009 £m	2008 £m
Within one year	1.3	1.3
In the second to fifth years inclusive	5.5	4.4
After five years	2.7	5.3
	<b>9.5</b>	<b>11.0</b>

The Company leases various offices and warehouses under non-cancellable operating lease agreements. The leases have various terms, escalation clauses and renewal rights. The Company also leases plant and machinery and vehicles under non-cancellable operating lease agreements.

## 55 Equity settled share based payments

For further detail regarding share based payments see note 34 within the Group disclosure notes.