

Accounting Policies

Accounting Convention

The accounts of the Company are prepared for the period up to the Friday closest to 31 March each year. Consequently, the financial statements for the current period cover the 52 weeks to 1 April 2016, whilst the comparative period covered the 53 weeks to 3 April 2015. The accounts are prepared under the historical cost convention, except where Financial Reporting Standards requires an alternative treatment in accordance with FRS 101 and specifically in accordance with the accounting policies set out below. The principal variation to the historical cost convention relates to share based payments.

Basis of Preparation

The Company meets the definition of a qualifying entity under the Financial Reporting Standard 100 ("FRS 100"). Accordingly, in the year ended 1 April 2016, the Company has adopted FRS 101 "Reduced Disclosure Framework" and has ceased to apply all UK Accounting Standards issued prior to FRS 100. Therefore the recognition and measurement requirements of EU-adopted IFRS have been applied, with amendments where necessary in order to comply with the Companies Act 2006.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share based payments, standards not yet effective, impairment of assets and related party transactions. Where required, equivalent disclosures have been given in the Group financial statements.

As permitted by section 408 of the Companies Act 2006, no profit or loss account or cash flow statement is presented for this Company. The profit for the year is disclosed in note 1 to the financial statements.

Employee Benefit Trusts ('EBTs') are consolidated on the basis that the parent has control, thus the assets and liabilities of the EBT are included on the Company balance sheet and shares held by the EBT in the Company are presented as a deduction from equity.

First Time Adoption of FRS 101

The Company's date of transition to FRS 101 is 29 March 2014 and all comparative information in the financial statements has been restated to reflect the Company's adoption of FRS 101, except where otherwise required or permitted by paragraphs 6 to 33 of International Financial Reporting Standard 1 - "First Time Adoption of International Financial Reporting Standards" (IFRS 1). Details of this transition are given in note 13.

The Group adopted IFRS for the first time in its consolidated financial statements in the year ended 31 March 2006. In accordance with IFRS 1, the Company has measured its assets and liabilities at the carrying amounts that would be included in the consolidated financial statements of the Group.

Share Based Payments

The Company operates a number of equity-settled, share based compensation plans that are awarded to employees of the Company's subsidiary undertakings.

In accordance with FRS 101 'Group and treasury share transactions' the fair value of the employee services received under such schemes is recognised as an expense in the subsidiary undertaking's financial statements, which benefit from the employee services. The Company has recognised the fair value of the share based payments as an increase to equity with a corresponding adjustment to investments.

Fair values are determined using appropriate option pricing models. The total fair value recognised is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date.

At each balance sheet date, the Company revises its estimates of the number of share incentives that are expected to vest. The impact of the revision of original estimates, if any, is recognised as an adjustment to equity, with a corresponding adjustment to investments, over the remaining vesting period.

Investments

Investments in subsidiary undertakings are stated at the original cost of the investments. Provision is made against cost where, in the opinion of the Directors, the value of the investments has been impaired.

Dividends

Final dividends are recognised in the Company's financial statements in the period in which the dividends are approved by shareholders. Interim equity dividends are recognised in the period they are paid.