BUILDING A NISA FUTURE

Nisa

2015-2016 ANNUAL REPORT & ACCOUNTS

"IT HAS BEEN A CHALLENGING, BUT ULTIMATELY PLEASING YEAR FOR NISA. THE BUSINESS EXPERIENCED THE BIGGEST SWING IN PROFIT IN ITS 39 YEAR HISTORY AS WE SOUGHT TO STABILISE THE COMPANY, ADDRESS HISTORICAL ISSUES AND LAY THE FOUNDATIONS TO RETURN TO PROFITABLE GROWTH AND BUILD A SUSTAINABLE BUSINESS MODEL. NISA IS NOW VERY MUCH BACK ON AN UPWARD CURVE, WITH THE BUSINESS HAVING ALREADY SEEN A 3.5% INCREASE IN WEEKLY SALES IN THE FIRST 12 WEEKS OF FY17, AND WE ARE EXTREMELY POSITIVE ABOUT OUR FUTURE."

NICK READ
CEO, NISA RETAIL LIMITED

SALES

- Sales are £1,309m,
  - 1.9% lower than FY15 (3.8% if adjusting for week 53), but
  - 2.3% higher when adjusting for the loss of Costcutter (and week 53)
- Fresh sales up 6.0% to £210m
- Heritage sales up 7.9% to £119m
- 476 new member stores

COSTS

- Improved margin performance by £3.8m while growing member numbers
- Distribution costs per case reduced by 3.2%
- Overhead costs reduced by 12.3%

PROFIT

- Adjusted earnings* £7.3m (target was £7.2m; FY15 was a loss of £2.9m)
- Underlying profit of £0.6m (FY15: loss of £5.4m)

OUTLOOK

- Weekly sales to week 12 of FY17 have been tracking 3.5% better than last year
- Rebates of £3.1m, withheld during the year, now fully released to members

*Adjusted earnings are earnings before interest, tax, depreciation, exceptional items and employee bonus. Throughout the following abbreviations are used:
FY15 – the financial year (52 weeks) ended 29 March 2015; FY16 – the financial year (53 weeks) ended 3 April 2016; FY17 – the financial year (52 weeks) ended 2 April 2017.

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CHAIRMAN'S STATEMENT 2016 ACCOUNTS

Nisa has had a remarkable year, producing strong financial results, while continuing to deliver high standards of service. Key to this success has been a much more disciplined approach to how we do business, coupled with the benefits from our investment in skills and capability across the organisation.

Much of last year was focused on achieving the EBITDA target of £7.2million, and credit is due to everybody for achieving this milestone, which represents a £10m year on year EBITDA recovery. Management has also worked hard to make our operations as efficient as possible, and I am pleased to report that overheads at our Scunthorpe headquarters are down 12% on the prior year. As a result of meeting these targets, and the good progress made in turning around the business, we have been able to fully repay the member rebates, that were partially withheld to support the profitability of the company in FY16.

Pleasingly, we achieved our financial targets while also achieving high levels of service, driving competitive products and promotions, and in the case of our fresh business, improving our offer to new award winning highs. In particular, Heritage, our leading own label brand has seen significant sales uplift from across a broad array of members over the past year.

The marked financial improvement at Nisa, and disciplined business approaches that have driven it, are essential for creating a stronger business, that is well regarded by all of its stakeholders, especially the banking sector and credit insurers. The trust and understanding of these vital bodies is central to Nisa's ability to provide our membership with industry leading retail benefits and services.

The fire-fighting that was required to stabilise the business took up much of last year, but through this we have begun the process of changing the shape of Nisa for the future. This process was spearheaded by a strategy review, carried out for our bankers and the board, which made a number of useful suggestions for improving efficiency and effectiveness. The results are being worked into the operational plans for 2016-17 and beyond and will be communicated to members as they come to fruition.

We have also improved our understanding of member profitability, enabling us to take remedial action where members have unfairly burdened the rest of the group. This is critical to making Nisa work for all its members and not just a few. Management processes within the MSC have also been professionalised, so that we can be assured that we are getting the best out of the investment we have made in people and systems.

The work of the last year has therefore laid a firm foundation for the future prosperity of Nisa, but has not yet restored it. The business needs a greater sales base and we are focused on achieving this by continuing our successful new membership recruitment, targeting substantial commercial contracts and seeking partnerships or joint ventures that make strategic sense for our membership.

Christopher Baker
Chairman

> THE WORK OF THE LAST YEAR HAS BEGUN THE PROCESS OF LAYING A FIRM FOUNDATION FOR THE FUTURE PROSPERITY OF NISA

No business or board can achieve its goals without good team work. I would therefore like to express my warm thanks, as always, to my board colleagues and all my colleagues at the MSC. This has been the first full year with our CEO Nick Read and Robin Brown as CFO and their industry experience and fresh insight has been much appreciated in stabilising the business. I am also grateful to our members, together we have achieved much in the past year, and we can address the challenges of the coming years with confidence.

476 NEW *member* STORES

CEO REVIEW

This has been a transformational year for Nisa; the measures we have taken in turning the business around have put it on a firm footing for future success in FY17 and beyond.

The company was pleased to achieve year end adjusted earnings of £7.3m, £0.1m better than the target and amounting to the biggest annual swing in profit in Nisa's 39 year history. By exceeding the year-end target, we have also secured the repayment of deferred rebates to Nisa members, resulting in £3.1m becoming available to the membership in July 2016.

It has been an extremely busy period, and during the course of the year the business has secured an extension to its banking facilities, reduced central overheads by 12.3%, addressed loss making accounts, recruited substantial commercial contracts, and, excluding Costcutter, reversed the downward trend in total sales, all of which delivered benefits to the wider membership.

In the wake of the losses the new management team inherited in early 2015, the group embarked on a strategic review. This piece of work was completed in March 2016 and has been helpful in confirming that while there is much to do to continue transforming the business, Nisa is now on a more stable footing. The review also considered where the refinement of key services within the business could further strengthen the company and position it for future growth, and this is a key focus for the business going forward.

Nick Read
Chief Executive Officer

THE COMPANY WAS PLEASED TO ACHIEVE YEAR END ADJUSTED EARNINGS OF **£7.3M, £0.1M** BETTER THAN THE TARGET AND AMOUNTING TO THE BIGGEST ANNUAL SWING IN PROFIT IN **NISA'S 39 YEAR HISTORY**.

Retailing continues to see significant changes and evolution; for Nisa these have been largely driven by the continued growth of online models and the success of discounters. I see great potential for the convenience sector to benefit from some of these changes, and the next few years will be a crucial time for Nisa and its peers.

For example, as the market evolves, consumers increasingly see the convenience sector as a destination shop rather than just for top up, and so the importance of having a strong chilled and fresh range becomes ever more critical. Our consumers are increasingly seeking good quality produce and we are supporting this growing demand through our award winning own label brand, Heritage. Elsewhere, a squeeze on disposable income, which has also driven footfall to convenience stores in an attempt to control spend with smaller, more frequent visits, has also raised the importance of a strong and competitive own label range. Pleasingly, during the year Heritage saw its fresh meat sales increase 41.2%, ready meals jump 48.1% and wet salads grow 62.5% year-on-year, highlighting its growing importance for the Nisa business and also the significance of fresh and chill categories to the convenience sector.

Nisa's overall sales performance was encouraging, with the business achieving sales of over £1.3bn for the year. In addition, we enjoyed a positive year of recruitment boosting membership numbers by 476 stores to reach an overall total of 2,915, excluding export accounts. This is testament to the faith retailers place in the long term future of Nisa's business model and its unrivalled offer, which makes Nisa the partner of choice for independent retailers.

Recruitment into Nisa of independent and symbol stores resulted in 177 new sites joining in FY16, a net gain of 18 stores, while business categorised as being large groups saw a net increase of 190 stores. Specialist business, excluding export accounts, saw a net gain of 50 stores.

The uplift in growth in the closing stages of FY16 marks an increased confidence in the Nisa business brought about by early successes in the execution of its three-year turnaround strategy. This resulted in a return to profitable growth, an enhanced trading margin, better distribution efficiencies and a successful reduction of central overhead costs.

3 YEAR TURNAROUND STRATEGY

PAST	PRESENT	FUTURE
Stabilise	Return to profitable growth	Build a sustainable business model
2015/16	2016/17	2017/18

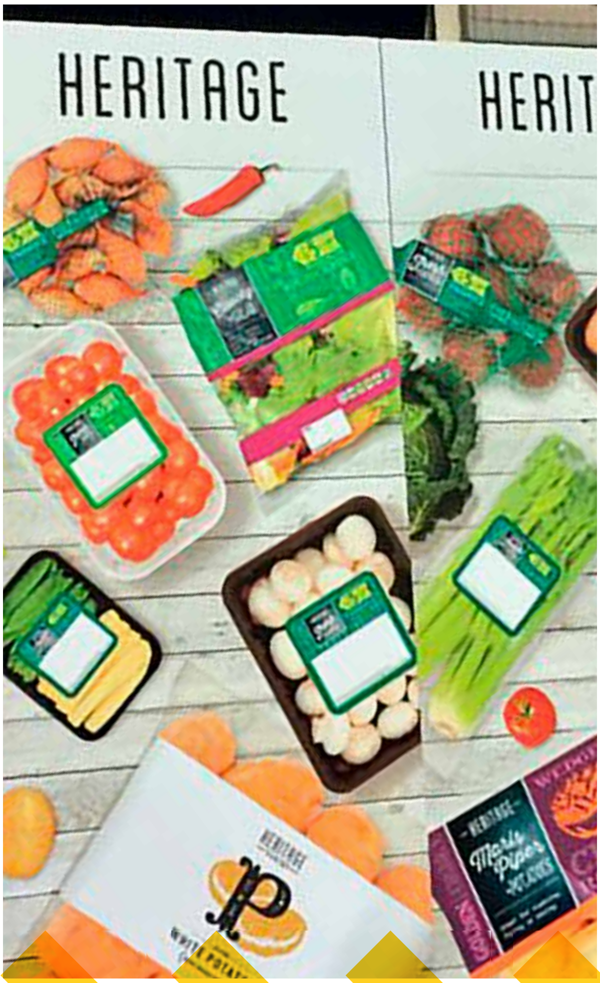
CEO REVIEW - OPERATIONAL REVIEW

DISTRIBUTION

Nisa's distribution service remains, consistently, the jewel in its crown. Stock availability for the year of 97.5% was on target, while the business beat its distribution cost per case target achieving 96.8 pence versus a target of 97.0 pence. Delivery on day was 99.9% for the year while delivery on time was 95.0%, inclusive of the start-up of all new contracts in the period under review. The pick error rate for the business was 0.04% or 99.96% accurate, which is a tremendous achievement and highlights the strength of our distribution effectiveness.

HERITAGE

Heritage, Nisa's award winning own label range offering over 800 products across a three tiered structure consisting of Heritage Pantry, Heritage and Heritage Gourmet, has been through a period of rebranding and reformulation. During FY16 Heritage sales rocketed on the back of an extensive relaunch of the range. Overall Heritage recorded an impressive 7.9% sales increase in value and 9.0% in volume year-on-year, highlighting its growing importance for the Nisa business. In FY17 we will increase our efforts on growing the brand further and establishing it as the leading own label range for our sector by developing an improved pricing structure and promotional offer.



Nisa Heritage

RANGE

Nisa has one of the broadest ranges in the convenience market covering over 13,000 products, which has proved an important factor in recruiting larger format businesses during FY16. Nisa's range of products is a key strength, but equally there are some areas which would benefit from improvement to further enhance the customer experience of both Nisa's members and their shoppers. Range optimisation is an area of focus for the business in FY17 and something we are confident we can develop to the greater benefit of the business and our members.

STOCK MANAGEMENT

Stock management hasn't been as effective as it could have been over the year, and this had an impact on Nisa's working capital at times. While the business managed the situation, Nisa's current stock management process can lead, on occasion, to holding more stock than is necessary. With this in mind we have already begun investing in stock management software which will improve our stock management ability, significantly reducing the amount of cash we have tied up in held stock on a week to week basis and thus improving our cash flow as a business.

OUTLOOK: A RETURN TO PROFITABLE GROWTH

With a successful FY16 now behind us, Nisa's focus for the FY17 financial year begins with executing a fast start in quarter one, delivering enhanced promotions to our members and growing the business further, building on the 476 new member stores that joined Nisa in FY16. This has already been evident through the two Bank Holiday Bonanzas, the Black Friday style promotions that Nisa launched in May, which generated over £1m of additional sales.

Encouragingly, Nisa's weekly sales through quarter one have been tracking ahead of budget and 3.5% ahead of where Nisa was in the same period last year, which points to the continuing success of our turnaround strategy.

The fast start to FY17 will also encompass some of the key outputs of the strategic review, namely own label, stock management, range and loss making account mitigation and the business aims to make further strides in these areas over the next year.

We will continue the work on simplification of terms but recognise that we need to fundamentally change our approach to this. Given the feedback we received from members last year we are going to trial a number of different "test and learn" approaches throughout the year. This will ensure Nisa avoids a risky "big bang" approach and recognises the difficulty we have getting a set of terms that is appropriate for all members.

With so much to be positive about in quarter one of FY17, it was therefore regrettable that on 21 June My Local, one of our newer members, gave notice of its intention to go into administration. However, this was anticipated and no material loss is expected to arise after recovery of insurance proceeds and utilisation of provisions held at the year end.

LOSS MAKING ACCOUNTS

The business also set a precedent in FY16 by addressing loss making business within the Nisa membership, and working with a number of businesses to improve performance. This will remain an important strategic theme moving through FY17 as we seek to strengthen and grow Nisa, while ensuring the business is run for the benefit of all members.

MAKING A DIFFERENCE LOCALLY

Making A Difference Locally ("MADL") has donated to 1,367 good causes in member stores' local communities totalling £874k between April 2015 and March 2016. There have been 13 national donations totalling £250k plus 107 staff donations totalling £32k, which have included causes such as:

- Contact the Elderly, which tackles isolation in the elderly community
- The Veterans Artisans Bakery, which through therapeutic baking give the veterans a purpose and skills that they take back out into civilian life
- Bumps and Babes, two midwives offering advice and support to underprivileged pregnant women.

These are only a few community examples of the difference MADL makes.

SUMMARY

The business is very much on an upward curve, as we move back towards more profitable growth. This is a testament to the hard work, loyalty and support of everyone involved with Nisa during the past year. I'd like to thank my ExCo colleagues, in particular Robin and Stewart, and colleagues at the Member Support Centre who have worked tirelessly and deserve credit. Thanks also to our suppliers who have remained committed and trusted in us as a partner, and importantly our members who have remained steadfast in their backing of Nisa, which is perhaps the biggest indication of how important this unique business is.

CFO REVIEW

INTRODUCTION

FY16 has been a year in which a huge amount has been done to assess the business and take appropriate actions to bring stability and security. The business has responded well and made significant steps forward. While we will remain true to our ethos of making money for our members not out of them, we still need to be profitable in order to be a secure, sustainable business. As may be seen below, this has now been achieved with the return to underlying profit of £0.6m from the underlying loss reported last year of £5.4m. This year has been the year of stabilising the business, and returning to profitable growth is the plan over the coming year. Nisa is back on track.

We have had key targets to achieve each quarter to ensure that our bank continues to support us and we have met these targets every time. This, together with the experience of the executive team, new during FY16, has helped to re-establish trust with our financial stakeholders (our bank and credit insurers) and they have relaxed their reporting requirements as a result.

For internal and bank purposes we also measure internal adjusted earnings – this can be seen below – that tracks closely the underlying cash generation. The exceptional costs are detailed later in this review but are made up of impairment of our EPOS assets, refinancing costs, agreeing a settlement on a long running former supplier dispute and completion of the previous year's restructure.

Lastly, we exclude the staff bonus from this internal adjusted earnings measure as the bonus is only payable on obtaining the agreed level of earnings required to fund it.

Looking at this underlying earnings measure, we see that a turnaround of £10.2m has been achieved (from a loss of £2.9m to a profit of £7.3m). At an underlying profit after tax level the turnaround is £6.0m. Both measures demonstrate a significant achievement of which we are very proud.

Robin Brown
Chief Financial Officer

> THIS YEAR HAS BEEN THE YEAR OF **STABILISING THE BUSINESS**, AND RETURNING TO PROFITABLE GROWTH IS THE PLAN OVER THE COMING YEAR.

Robin Brown
Chief financial officer

SUMMARY INCOME STATEMENT

£'000	FY16			FY15		
	Underlying	Exceptional	Total	Underlying	Exceptional	Total
Sales before member rebates	1,339,949	-	1,339,949	1,362,679	-	1,362,679
Member rebates	(30,719)	-	(30,719)	(28,026)	-	(28,026)
Total sales	1,309,230	-	1,309,230	1,334,653	-	1,334,653
Trading margin	157,279			148,394		
Gross margin	142,070	-	142,070	138,289	-	138,289
Distribution	(104,505)	-	(104,505)	(107,322)	-	(107,322)
Admin before bonus & depreciation	(30,261)	(4,373)	(34,634)	(33,845)	(4,355)	(38,200)
Internal adjusted earnings measure	7,304	(4,373)	2,931	(2,878)	(4,355)	(7,233)
Operating profit	1,751	(6,267)	(4,516)	(6,098)	(4,355)	(10,453)
Interest	(846)	-	(846)	(798)	-	(798)
Profit before tax	905	(6,267)	(5,362)	(6,896)	(4,355)	(11,251)
Tax	(325)	1,222	897	1,463	871	2,334
Profit after tax	580	(5,045)	(4,465)	(5,433)	(3,484)	(8,917)

KEY PERFORMANCE INDICATORS

We have established key performance indicators including:

Measure	Explanation	Units	FY16	
			Target	Achieved
Sales	Sales to our members, inclusive of sundry income such as surcharges and subscriptions and net of rebates	£m	1,345	1,309
Availability	The ratio of cases accepted at the point of order against the number of cases despatched. The measure is across chill, freeze and ambient products processed by central distribution	%	97.5%	97.5%
Margin %	Cash margin measured as a % of total sales	%	10.6%	10.9%
Distribution cpc	The total cost of our central distribution services (including property, insurance, offshore ferry and third party operating costs) against the total number of cases despatched in the year. It includes all warehouse and transport costs associated with handling and delivering chill, freeze and ambient products	pence	97.0	96.8
EBITDA	Earnings before interest, tax and depreciation/amortisation but also before exceptional costs including any staff bonus	£'000	7,200	7,304

adjusted

EARNINGS

£7.3M

(TARGET WAS **£7.2M**;
FY15 WAS A LOSS OF **£2.9M**)

CFO REVIEW

TURNOVER ANALYSIS

As well as the significant loss of Costcutter inherited by the current team, there have been other drivers of our core **central distribution sales** performance including:

	Turnover (£m)							
	Established	New	Lost	Central Invoicing	Subs	Total before rebates	Rebates	Total
FY15	1,063	80	183	35	2	1,363	(28)	1,335
Deflation	(17)	(1)	-			(18)		(18)
Costcutter			(79)			(79)		(79)
Lost members			(58)			(58)		(58)
New members		150				150		150
Other	(22)			4		(18)	(3)	(21)
FY16	1,025	229	46	39	2	1,340	(31)	1,309

As may be seen, the largest movement in sales is the result of new members brought into the group either in FY15 or FY16 and is explained below. The £80m of sales shown as New for FY15 are the sales to members who joined during that year as so were not yet established. £247m in FY16 represents sales to those members plus those who joined in FY16.

NEW BUSINESS / RETAINED BUSINESS

Nisa has been very successful in growing store numbers in all business unit areas as may be seen below. While proportionally, the largest growth was in the category of large groups driven significantly by the addition of My Local to this category, all areas have grown, both at a new and net level. In the current market, growth of 9.9% in the independent and symbol group sector is bucking the trend of the market. Analysis of our leavers is also encouraging from a brand perspective, with fewer than one third leaving to join the competition.

	END OF FY15 LIVE STORES	Full year FY16			New growth	Net growth	END OF FY16 LIVE STORES
		New	Lost	Net			
BUSINESS UNIT							
Independent and symbol stores	1,780	177	159	18	9.9%	1.0%	1,798
Large groups	514	191	1	190	37.2%	37.0%	704
Specialist (excluding export)	363	108	58	50	29.8%	13.8%	413
Total	2,657	476	(218)	258	17.9%	9.7%	2,915

Note that live stores are those stores that are live buying from us at the end of the year. During the year we have served 2,915 + 218 now lost i.e. 3,133 stores.

CFO REVIEW

DISTRIBUTION COSTS

Despite the level of change in the business (not least the integration of the My Local business into the delivery schedule), the cost per case has improved to 96.8p (FY15: 100.0p). Of the £2.8m saving when compared to last year, £0.4m was the result of the reduction in fuel price and the residual the result of a number of cost saving initiatives. As noted in the CEO review, these did not impact the delivery of the high quality service that our members expect.

OVERHEADS

Our underlying overheads have been controlled very closely and savings of 12% made (adjusting for the 53rd week in FY16) without affecting underlying services to our members.

EXCEPTIONAL ITEMS & UNDERLYING PROFIT

FY15 was a period of significant change and during FY16 a lot was done to assess the business and take appropriate actions to address poor historic decision making. A number of these resulted in significant changes. Exceptional costs in the year are:

- The impairment and provision for onerous leases charge of £3.1m is the result of reviewing the carrying value of our EPOS system. While we intend to continue to support it going forward, we do not expect it to generate enough income to cover the necessary outgoings and so provision has been made. Further disclosure is provided in the fixed asset note and the provisions note.
- A long standing litigation has been settled and the amount of £1.0m recognised includes full and final settlement of all liabilities.
- During FY16 Nisa refinanced the banking facilities for two years and as part of that carried out an in depth strategic review of the business. The full costs of this were charged in the year.
- Finally, underlying profitability excludes the final costs of the reorganisation following the loss of business from the previous year.

Title	Description	Note ref	FY16 £'000	FY15 £'000
EPOS assets	Review of the performance of our EPOS assets has highlighted that while it is sustainable in the long term, the income generated is insufficient to support the carrying value of the asset which has therefore been impaired.	9	1,894	-
EPOS assets	Review of the performance of our EPOS assets has also highlighted that the income generated is insufficient to support the outgoing commitment for the provision of related services. Consequently, a provision for onerous contracts has been made.	17	1,190	-
Refinancing	The cost of refinancing the group for the next two years	3	1,643	-
Litigation	A dispute arose with a former supplier which was settled post the balance sheet date	3 / 25	1,038	1,771
Reorganisation	The cost of reorganising the management of the group following the loss of Costcutter in 2014. Some of this was not completed until FY16.	3	502	2,323
Data leak	Investigation into leak of sensitive data	3	-	261
TOTAL			6,267	4,355

LOSS MAKING ACCOUNTS

As part of our strategic initiatives we recognised that we needed to grasp the nettle of loss making accounts. We have made good progress in this regard having assisted in turning around a number of members who were not contributing equitably and in one case to date asking a member to leave. We will continue with this approach to ensure we have a model that works for members as a whole.

CORPORATION TAX

We generated a loss before tax for the second year running and so our approach has been to recognise as a deferred tax asset these losses as we will be able to match these to future profits and thus reduce tax payable. At the start of the year we had corporation tax receivable of £2.0m and a deferred tax receivable of £0.5m. The corporation tax was received during the year and the deferred tax has been added to the additional £0.9m generated this year. We anticipate that we will have realised this asset within 3 years of the year end.

SUMMARY BALANCE SHEET

	FY16 £'000	FY15 £'000	Movement
Fixed assets and investments	30,021	32,114	(2,093)
Working capital	61,723	62,833	(1,110)
Provisions	(1,190)	(2,200)	1,010
Tax	(6,125)	(7,113)	988
Net debt	(67,057)	(63,181)	(3,876)
Total	17,372	22,453	(5,081)

The primary reason for the reduction in net assets has been the exceptional charges noted above, in particular those that relate to the EPOS assets (a non cash adjustment). Our movement in net debt and working capital is largely the result of the bringing My Local into the group fairly close to the year end.

NEW BANKING FACILITY

On 7 October we finalised our new banking facility, the culmination of several months' work. This gave us a total facility of £103.2m (£6.7m higher than FY15) and lasts until October 2017. This was a critical element in the stabilisation of the business and puts us in a much better position to further strengthen the business.

SUMMARY CASH FLOW STATEMENT

Measure	FY16 £'000	FY15 £'000
Operating loss	(4,516)	(10,453)
Depreciation	5,197	3,220
Movement in provisions	(1,010)	2,200
Movement in working capital	(935)	(5,779)
Operating cash flow	(1,264)	(10,812)
Interest paid	(846)	(798)
Taxation received / (paid)	1,953	(866)
Capital expenditure	(3,104)	(2,918)
Financing	(2,491)	(1,165)
Decrease in cash in the year	(5,752)	(16,559)

This decrease offset by the repayment of £1.875m of loan financing constitute the movement in our net debt.

SHARE PRICE

The share price at which Nisa will buy and sell shares is determined in relation to the net assets on the balance sheet and is deemed to change only when the accounts are signed. Therefore, from the point of these accounts being signed the share price will become £125. The reconciliation of the share price from the previous year is as follows:

Measure	Share price £	Net assets £'000
At 7 October 2015	161	22,453
Underlying profit after tax	4	549
EPOS asset provisions	(18)	(2,467)
Litigation	(6)	(831)
Other exceptional items	(12)	(1,716)
Movements in shares	(4)	(616)
At 30 June 2016	125	17,372

Note that the exceptional items here are shown net of corporation tax at 20%.

REBATES OF

£3.1M

WITHHELD DURING THE YEAR NOW

FULLY RELEASED TO MEMBERS

TRADING DIRECTOR REVIEW

FY16 was a year of significant change for Nisa - a year where financial stability was needed in a difficult trading climate, culminating in the development of the business turnaround strategy for the years ahead.

Although the prior financial year's performance was unique in the 39 year history of Nisa, what was consistent throughout was the commitment, passion and enthusiasm for Nisa to succeed emanating from our members, supplier partners and colleagues at the Member Support Centre.

Upon joining the business in June 2015, my prime focus for trading was to lead the business back into profitable growth, removing the factors that contributed to the losses of the prior year and delivering immediate stability to the group through new trading, financial and operational disciplines.

The immediate introduction of the trading strategy and increased trading capability meant the business was able to quickly communicate our plans to members and suppliers to gain their support in rebuilding of Nisa. We also addressed the core trading disciplines, immediately improving our trading mix and significantly increasing margins while enabling members to remain competitive.

Regrettably, tough, but critical, decisions were required to enable the business to continue to trade, having a short-term impact on our members. Nominal price increases in a deflationary market, dampening of offers, further exacerbated by a partial deferral of member rebates will have made trading for our members difficult, however, through the true spirit of our mutual organisation, members supported the decisions made, playing a lead role in our stabilisation.

Throughout the year, we endeavoured to increase our price and promotional investment for members, whilst balancing the needs of our financial stakeholders. Smarter investments in our Christmas 2015 campaign were a turning point in our sales and profitability, reversing the trends seen in previous years and enabling further investment to continue for the remainder of the year. Post Christmas we:

- Improved our lead promotional mechanic (the leaflet) making it more professional, seasonally relevant and investing in market leading deals to enable members to attract new footfall.
- Protected our members from the March duty increase across our 800 strong wine range.
- Delivered a sector leading Wine & Easter event.
- Reaffirmed our price position against immediate competitors.
- Relaunched our fresh produce and meat range.

Stewart Smith

Trading Director

"NISA IS NOW A MUCH STRONGER BUSINESS AND BETTER PLACED TO SERVE OUR MEMBERS, CONSUMERS AND THE COMMUNITIES WE SERVE."

Stewart Smith
Trading Director

- Delivered additional trade events such as our Bank Holiday Bonanzas via our on-line member web portal (OCS), helping members drive trade and increase their margins.

Now that the business has stabilised, we seek to reverse some of these decisions made to reward our members for their loyalty with the deferred rebates now being made available and continued investment in price.

THE YEAR AHEAD: A RETURN TO PROFITABLE GROWTH

Whilst the year ahead brings further uncertainty for the sector through the National Living Wage, the European Tobacco Directive, continued deflation, and the decline of traditional footfall driving categories, shopper behaviour will continue to favour our sector. The trend points towards core convenience moving from top-up shop to destination, further supporting the need for Nisa and our members to focus on our fresh credentials, whilst embracing digital technologies and social media to attract consumers.

Our focus is to continue to deliver the key elements of the trading strategy, driving new sales and profitable growth for both our members and our business as a whole, with particular focus on:

- Tailored and optimised ranges to formats, shopper missions and occasions.
- Continued development of our sector leading fresh and food to go proposition.
- Greater investment in EDLP and our promotional and eventing campaigns.
- Increasing the role and significance of our award winning Heritage own label range.
- Putting communities at the heart of our trading activity through MADL.
- Making Nisa simpler and easier to do business with.

I would like to take this opportunity to thank our members and my colleagues both on the board and at the MSC for their support throughout the year. Nisa is now a much stronger business and better placed to serve our members, consumers and the communities we serve.

TRADING STRATEGY

TO FUTURE PROOF THE NISA TRADING POSITION FOR THE BENEFIT OF OUR MEMBERS, CUSTOMERS AND THE COMMUNITIES WE SERVE

WHAT?	**DISCIPLINED RANGE**	**PRICE AND OFFER INTEGRITY**	**BUILD QUALITY BRANDS**	**OPERATIONAL EXCELLENCE**
HOW?	Tailored CORE ranges First for innovation Famous for fresh Seasonal ranges Simplification Credible NEW food ranges General merchandise	Dynamic price basket Defined price investment strategy EDLP across core Consumer & member format promo/event strategy Longer term branded discounts Commodity cost model	Technical and commercial benchmark for Heritage Lead a new conversation around Heritage Remove tertiary Regional and innovation Brands	Insight led decisions Getting closer to customers & members Commercial category blueprint Member innovation pilot Insight training Supply chain efficiency
WHY?	Repeat visits, penetration and volume growth.	Build trust, drive footfall, smarter investments (profit)	Brand awareness, cheaper price points, support local	Customer led, cost conscious, drive compliance, easier to deal with
ENABLERS	**COMMERCIAL CAPABILITY / SUPPLIER PARTNERSHIPS / FINANCIAL GOVERNANCE**			

IMPROVED MARGIN PERFORMANCE BY

£3.8M

WHILE

GROWING

member numbers

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 company's ability to deliver effectively its strategy in the future. The list does not include all risks that the company faces and it does not list the risks in any order of priority

Risk Type	Description	Mitigation
Business concentration	There is a risk that we don't meet the needs of our members in particular our key members whose turnover represents a significant proportion of the group's turnover.	• The specialist team is in place to manage key members by both size and format, supported with bespoke account management • This is managed with regular top to top meetings, joint business plans and measured through the monthly management accounts • All new accounts of scale (over £20m) have contracts presented and signed off by the board and KPI's routinely measured to ensure profitability is maintained in line with expectation/business case
Financial and treasury	The main areas of this principal risk are the availability of funding and management of cash flow to meet business needs and its banking covenants. In addition, the 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 company's trade creditors in respect of the company, this might affect the company's ability to obtain products from those suppliers on existing credit terms and could worsen the company's cash flow.	• The company maintains a close relationship with its banking providers to ensure effective management of cash and its compliance with all banking covenants • The company's treasury function is responsible for the forward planning and management of funding • The company's CEO and CFO regularly meet the key credit insurers to ensure that they have an up to date understanding of the company's financial position
Competition	If we do not effectively manage our trading plan to remain competitive, there is a risk that we will not achieve our financial targets. The market sector continues to be challenging with high levels of competitive activity, food price deflation and enhancement of service through technology. This leads to an increase in this risk.	• We review and actively manage our price and sales proposition, and promotional and marketing campaigns • Competitor pricing positions and market trends are reviewed on a regular basis
Third party logistics	The company's central distribution operation is managed by third party logistic providers. Any failure of the operator would have a major impact on the company's ability to deliver product to its members.	• The company has a close working relationship with its providers, monitors key performance indicators and manages performance against them

RISKS AND UNCERTAINTIES

Risk Type	Description	Mitigation
IT	The maintenance and development of information technology systems could result in system failures, including cyber security breaches which may adversely impact the company's ability to operate, which could affect the company's sales, operating profits and cashflow and could lead to significant reputational damage and fines. Increased regulation and financial penalties in addition to increased incidents of cyber-attacks on corporates had led to the increase in this risk.	• We have an Information Management Steering Group which has the responsibility for overseeing data management practices, policies, awareness and training • Information security policies and procedures are in place, including network security, system access and data protection • This is supported by ongoing monitoring, reporting and rectification of vulnerabilities
Food safety and product integrity	There is a risk that the products we sell are unsafe or not of the integrity that our customers expect. It is of utmost importance to us and to the confidence that customers have in our business that we meet the required standards. If we do not do this, it could impact business reputation and financial performance.	• Strict standards and monitoring process are in place to manage food safety and product integrity throughout the company and supply chain • Management regularly monitors food safety and product integrity performance and compliance as well as conducting horizon scanning to anticipate emerging issues
People	Our colleagues are key to the achievement of our plan, particularly as we make changes to the business. There is a risk that if we fail to attract, retain or motivate talented colleagues, we will not provide the quality of service that our members expect. Business change and the challenging trading environment may impact on colleagues leading to an increase in this risk.	• We have competitive employment policies, remuneration and benefits packages • Our training and development programmes are designed to give colleagues the skills they need to do their jobs and support their career aspirations • Line managers conduct talent reviews and processes are in place to identify and actively manage talent • Colleague engagement surveys, listening sessions and forums are used to understand and respond to our colleagues' needs and are reported regularly to the board
Changes in regulation	The company operates in an environment governed by strict regulations to ensure the safety and protection of customers, members, colleagues and other stakeholders. Changing legislation may impact our ability to market or sell certain products or could cause the company to incur additional costs or liabilities that could adversely affect its business.	• The company abides by government legislation, including food hygiene, health and safety and data protection • The board takes its responsibilities seriously and recognises that any breach of regulation could cause reputational and financial damage to the company • The in-house legal team ensure that the company is updated and aware of all changes in legislation and that the company abides by these
Sales volume	The company's ability to negotiate lower prices and more beneficial rebate terms is largely dependent on the volume of sales that the company can generate via its members. The cost of operations is sensitive to changes in volume and input costs such as fuel and any adverse changes can be significant to the company profitability.	• Regular monitoring of the volumes and pence per case are performed • Cost efficiency drives and improvement are constantly performed

DISTRIBUTION

COSTS

PER CASE

REDUCED BY

3.2%

COMPLIANCE WITH THE UK CORPORATE GOVERNANCE CODE

Whilst there is no formal requirement to do so, as a responsible company Nisa aims to operate as far as practical within the spirit of the guidelines set out in the UK Corporate Governance Code.

The company does not require the annual re-election of all directors, as the current arrangement with board members serving a three year term before being required to retire by rotation has served the company well and provides greater stability for the board.

THE BOARD

The board of directors acts on behalf of the shareholders to ensure the company's prosperity and success by collectively directing the company's affairs and meeting the challenges and issues relating to corporate governance, corporate social responsibility and corporate ethics.

The board considers that a mix of independent non-executive, member non-executive and executive directors provides a firm basis for good governance. The chairman and CEO fully understand the responsibilities of their roles as agreed by the board, as do all board members in respect of their responsibilities to the board and any respective committee.

Christopher Baker
Independent non-executive chairman

Peter Hartley
Independent non-executive director

Gillian Wilmot
Independent non-executive director

Nick Read
CEO

Robin Brown
CFO

Stewart Smith
Trading director

Bharatkumar Amin
Member non-executive director

Sukh Gill
Member non-executive director

Mukhtar Singh Goraya
Member non-executive director

Vim Odedra
Member non-executive director

Tony Sangha
Member non-executive director

Alison Strong
Member non-executive director

Jet Sunner
Member non-executive director

Ben Scott
Company secretary

COMMITTEES OF THE BOARD

NOMINATIONS COMMITTEE

The prime function of the Nominations Committee is to ensure that the board has the right mix of experience and skills to enable the board to discharge its obligations. This committee is chaired by Christopher Baker.

Committee members

The committee comprises all the non-executive directors; executive directors are invited to attend meetings where relevant.

AUDIT COMMITTEE

The purpose of the Audit Committee is to provide a facility for:

- monitoring the integrity of the company's financial statements;
- discussing with the company's external auditors their report on the annual accounts setting out the scope and results of their work in relation to those accounts and material judgments contained in them;
- reviewing and updating the risk register;
- reviewing and monitoring management's responsiveness to the external auditors' findings;
- reviewing the effectiveness of the external audit process; and
- reviewing the effectiveness of the accounting function.

It also reviews any other matters which might have a financial impact upon shareholders including the group's systems of internal control and risk management, and changes in accounting policies.

The committee makes recommendations to the board in relation to the appointment of the external auditors and approves the terms of engagement and fees of the external auditors. The committee is also responsible for ensuring that an appropriate relationship between the group and the external auditors is maintained.

Over the course of the year, the committee met four times.

Committee members

Peter Hartley, independent non executive director (chair)

Gillian Wilmot, independent non-executive director

Vim Odedra, member non-executive director

Jet Sunner, member non-executive director

Sanjeev Vadhera, member non-executive director (resigned 29/2/16)

REMUNERATION COMMITTEE

The main responsibility of the Remuneration Committee is to ensure that the company has a consistent and clear policy for establishing the remuneration packages for senior executives and then for reviewing performance. It will obtain benchmarking information from appropriate sources to assist its thinking.

Committee members

Gillian Wilmot, independent non-executive director (chair)

Christopher Baker MBE, independent non-executive director

Peter Hartley, independent non-executive director

Alison Strong, member non-executive director

Tony Sangha, member non-executive director

Over the course of the year, the committee met twice.

CONTRACT APPROVAL COMMITTEE

The Contract Approval Committee was established to approve on behalf of the board contracts where there is a potential for a pervasive conflict of interest for member non-executive directors, who trade with the company.

As the company now has a policy of all except the very largest members trading on standard terms, the committee has not needed to meet over the course of the year, with decisions on major contracts being taken by the board.

Committee members

The Committee comprises the executive and independent non-executive directors.

OTHER COMMITTEES

The board has approved the establishment of a number of advisory committees whose purpose is to be best practice groups, fully committed to assisting the business to develop suitable strategies. These committees are the Symbol Group Development Committee (SGDC) and the Independent Fascia Group Committee (IFGC).

The members of these committees are predominantly shareholders.

AD HOC COMMITTEES

The board appoints committees from time to time to manage on its behalf particular issues. No such committees were appointed in the course of the year.

DIRECTORS' REPORT

DIRECTORS AND ADVISORS

DIRECTORS

CJ Baker MBE	(Non-executive chairman)
NJ Read	(Chief executive officer)
R Brown	(Chief financial officer)
SD Smith	(Trading director)
PC Hartley	(Independent non-executive director)
G Wilmot	(Independent non- executive director)
BJ Amin	(Member non-executive director)
SS Gill	(Member non-executive director)
MS Goraya	(Member non-executive director)
V Odedra	(Member non-executive director)
KS Sangha	(Member non-executive director)
A Strong	(Member non-executive director)
J Sunner	(Member non-executive director)

SECRETARY
B Scott LL.B (Hons)

AUDITOR
David Morritt
KPMG LLP
1 The Embankment
Neville Street
Leeds
LS1 4DW

SOLICITORS
DLA Piper UK LLP
Princes Exchange
Princes Square
Leeds
LS1 4BY

Registered number 00980790

BANKERS
Barclays Bank PLC
PO Box 190
2nd Floor
1 Park Row
Leeds
LS1 5WU

REGISTERED OFFICE
Waldo Way
Normanby Enterprise Park
Scunthorpe
DN15 9GE

OVERHEAD

COSTS

REDUCED BY

12.3%

STRATEGIC REPORT

PRINCIPAL ACTIVITIES

The principal activities of the company involve the negotiation, sourcing, supply and distribution of goods for retail, the origination of a strong own label range and the provision of comprehensive marketing and support services for retailers.

BUSINESS MODEL

The company is owned by its members, who are also its customers, and therefore any incremental value generated is ultimately for the benefit of its members. The primary function of the company is to source, negotiate price and supply goods through the central distribution system. Through scale and efficiencies, the aim is to provide members with as competitive and efficient a service as possible. In addition to purchasing and supply chain expertise, the company aims to help its members become better retailers by providing expert support, guidance and innovative retail solutions.

BUSINESS REVIEW AND RESULTS

See the CEO review on page 6

KEY PERFORMANCE INDICATORS

See the CFO review on page 10

PRINCIPAL RISKS AND UNCERTAINTIES

See the report on page 21

FUTURE DEVELOPMENTS

See the CEO review on page 9

Signed on behalf of the board

Christopher J Baker
Non-executive chairman

Waldo Way
Normanby Enterprise Park
Scunthorpe
DN15 9GE

30 June 2016

DIRECTORS' INTERESTS

Directors during the year ending 3 April 2016 and the shares held in the name of the companies they represent as members of Nisa Retail Limited were as follows:

	2016	2015
BJ Amin (Appointed 23/11/2015)	100	
SS Gill (Appointed 23/11/2015)	10	
MS Goraya (Appointed 23/11/2015)	10	
V Odedra	250	250
KS Sangha	100	100
A Strong	100	100
J Sunner	100	100

DIRECTORS' ATTENDANCE AT BOARD MEETINGS

	POSSIBLE	ATTENDED
BJ Amin (Appointed 23/11/2015)	2	2
CJ Baker	9	9
R Brown (Appointed 7/10/2015)	4	4
S Ghafoor (Resigned 23/11/2015)	9	9
SS Gill (Appointed 23/11/2015)	2	2
MS Goraya (Appointed 23/11/2015)	2	2
PC Hartley	9	8
V Odedra	9	9
NJ Read (Appointed 23/02/2015)	9	8
KS Sangha	9	9
SD Smith (Appointed 7/10/2015)	4	4
A Strong	9	9
J Sunner	9	9
S Vadhera (Resigned 29/02/2016)	8	8
G Wilmot	9	8

The above information includes formally agreed meetings. Some meetings were held by conference call and at short notice (for example to agree the new facility); attendance at these was also excellent. This reflects the seriousness with which the directors view their duties to Nisa.

DISCLOSURE OF INFORMATION TO AUDITOR

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

AUDITOR

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

B Scott LL.B (Hons)
Secretary

Waldo Way
Normanby Enterprise Park
Scunthorpe
DN15 9GE

30 June 2016

STATEMENT OF DIRECTORS' RESPONSIBILITIES

IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the 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 company and to prevent and detect fraud and other irregularities.

FRESH SALES up 6.0% TO £210m

INDEPENDENT AUDITOR'S REPORT

REPORT TO THE MEMBERS OF NISA RETAIL LIMITED

We have audited the financial statements of Nisa Retail Limited for the 53 weeks ended 3 April 2016 set out on pages 34 to 56. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 30, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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**

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and company's affairs as at 3 April 2016 and of its loss for the period then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic Report and the Directors' Report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

David Morritt

David Morritt
Senior Statutory Auditor
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

30 June 2016

2016 FINANCIAL STATEMENTS

GROUP PROFIT & LOSS ACCOUNT

For the 53 weeks ended 3 April 2016

	Notes	Underlying FY16 £'000	Exceptional FY16 £'000	Total FY16 £'000	Underlying FY15 £'000	Exceptional FY15 £'000	Total FY15 £'000
Turnover	2	1,309,230	-	1,309,230	1,334,653	-	1,334,653
Cost of sales		(1,167,160)	-	(1,167,160)	(1,196,364)	-	(1,196,364)
Gross profit		142,070	-	142,070	138,289	-	138,289
Distribution costs		(104,505)	-	(104,505)	(107,322)	-	(107,322)
- Admin expenses before bonus and depreciation		(30,261)	(4,373)	(34,634)	(33,845)	(4,355)	(38,200)
- Sub-total: adjusted earnings:		7,304	(4,373)	2,931	(2,878)	(4,355)	(7,233)
- Depreciation		(3,303)	(1,894)	(5,197)	(3,220)	-	(3,220)
- Bonus		(2,250)	-	(2,250)	-	-	-
Administrative expenses		(35,814)	(6,267)	(42,081)	(37,065)	(4,355)	(41,420)
Operating profit / (loss)	3	1,751	(6,267)	(4,516)	(6,098)	(4,355)	(10,453)
Interest payable	6	(846)	-	(846)	(798)	-	(798)
Profit / (loss) on ordinary activities before taxation		905	(6,267)	(5,362)	(6,896)	(4,355)	(11,251)
Tax on profit on ordinary activities	7	(325)	1,222	897	1,463	871	2,334
Profit / (loss) for the year	8	580	(5,045)	(4,465)	(5,433)	(3,484)	(8,917)

Depreciation above includes amortisation and impairment. See notes 3, 9 and 10.

The accompanying notes form an integral part of these financial statements.

GROUP AND COMPANY BALANCE SHEET

For the 53 weeks ended 3 April 2016

		Group and Company	
	Notes	FY16 £'000	FY15* £'000
FIXED ASSETS			
Intangible assets	9	3,305	4,967
Fixed assets	10	26,716	27,147
Investments	11	-	-
TOTAL FIXED ASSETS		30,021	32,114
CURRENT ASSETS			
Stocks	12	42,075	38,518
Debtors: amounts falling due within one year	13	124,740	120,675
Cash at bank and in hand	14	-	-
TOTAL CURRENT ASSETS		166,815	159,193
CREDITORS: amounts falling due within one year	15	(169,654)	(166,654)
NET CURRENT (LIABILITIES)		(2,839)	(7,461)
TOTAL ASSETS LESS CURRENT LIABILITIES		27,182	24,653
CREDITORS: amounts falling due after more than one year	16	(8,620)	-
PROVISIONS FOR LIABILITIES AND CHARGES	17	(1,190)	(2,200)
NET ASSETS		17,372	22,453
CAPITAL AND RESERVES			
Called up share capital	19	60	60
Share premium account		1,409	1,409
Reserve for own shares		(1,145)	(529)
Capital redemption reserve	20	1,071	1,071
Profit and loss account		15,977	20,442
TOTAL SHAREHOLDERS' FUNDS	21	17,372	22,453

**FY15 has been restated for FRS102 - see note 1.*

The balance sheet is the same for the group and the company as all subsidiaries (investments) are dormant and with immaterial value.

The accompanying notes form an integral part of these financial statements.

These financial statements were approved by the board of directors on 30 June 2016 and signed on its behalf by:

CJ Baker
(Non-executive chairman) Christopher Baker

R Brown
(Chief financial officer) Robin Brown

30 June 2016
Registered number 00980790

GROUP STATEMENT OF CASH FLOWS

For the 53 weeks ended 3 April 2016

	Notes	FY16 £'000	FY15 £'000
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	3(b)	(1,264)	(10,812)
RETURN ON INVESTMENT AND SERVICING OF FINANCE			
Interest paid		(846)	(798)
Net cash outflow from return on investment and servicing of finance		(846)	(798)
TAXATION			
UK corporation tax received / (paid)		1,953	(866)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENTS			
Payments to acquire intangible fixed assets		(2,308)	(2,015)
Payments to acquire tangible fixed assets		(796)	(903)
Net cash outflows from capital expenditure and financial investments		(3,104)	(2,918)
NET CASH OUTFLOWS BEFORE FINANCING		(3,261)	(15,394)
FINANCING			
Payments to acquire shares held in trust		(973)	(711)
Receipts from sale of shares held in trust		357	1,806
Payments of dividends		-	(760)
Repayments of long term borrowing		(1,875)	(1,500)
DECREASE IN CASH IN THE YEAR	14	(5,752)	(16,559)
RECONCILIATION TO MOVEMENT IN NET FUNDS			
Decrease in cash in the year		(5,752)	(16,559)
Cash outflow in respect of loan financing		1,875	1,500
Movement in net funds in year		(3,877)	(15,059)
Net funds brought forward		(63,181)	(48,122)
Net funds carried forward		(67,058)	(63,181)
Cash at bank		-	-
Bank overdraft	14	(56,956)	(51,204)
Bank loans	15/16	(10,102)	(11,977)
		(67,058)	(63,181)

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Called up share capital £'000	Share premium account £'000	Reserve for own shares £'000	Capital redemption reserve £'000	Profit and loss account £'000
At 29 March 2015	60	1,409	(529)	1,071	20,442
Arising during the year - purchased by the Trust	-	-	(973)	-	-
Sold by the Trust	-	-	357	-	-
Dividend	-	-	-	-	-
Retained loss for the year	-	-	-	-	(4,465)
At 3 April 2016	**60**	**1,409**	**(1,145)**	**1,071**	**15,977**

NOTES TO THE ACCOUNTS

For the 53 weeks ended 3 April 2016

1. ACCOUNTING POLICIES

Basis of preparation
The financial statements have been prepared on a going concern basis for the 53 weeks ended 3 April 2016.

The group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the chairman's, CEO's and CFO's statements on pages 4, 6 and 10.

The financial position of the group, its cash flows and liquidity position are shown in the group's cash flow statement and in note 14 to the financial statements.

The group meets its day-to-day working capital requirements through bank overdrafts, loans, bank guarantees and sureties. At 3 April 2016, overdrafts were £56.95m, bank loans were £10.1m, bank guarantees were £25m and insurance sureties £5m. Cash deposits of £nil were held. The group's banking facilities were extended in October 2015 for a period of 24 months and include committed bank facilities of £103.2m (see note 14 for details). Included in the new facility is an amount of £7.5m to fund anticipated growth.

The group's forecasts and projections for the next 12 months from the date of approval of these financial statements, taking into account reasonable sensitivities in trading performance, show that the group is able to operate within the level of its current facility and meet its covenants.

The directors believe that the group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements. The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

These group accounts were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("FRS102") as issued in August 2014. The amendments to FRS102 issued in July 2015 and effective immediately have been applied. In the transition to FRS102 from old UK GAAP, the group has made one measurement and recognition adjustment - that of

1. ACCOUNTING POLICIES (continued)

transferring software of £3,305k (FY15: £4,967k) from tangible to intangible fixed assets. See also notes 9 and 10.

Basis of consolidation

The group accounts consolidate the accounts of Nisa Retail Limited and all its subsidiary undertakings drawn up to 3 April 2016. No separate profit and loss account is presented for Nisa Retail Limited, as permitted by Section 408 of the Companies Act 2006. The company's profit for the year is identical to that of the group.

Accounting period

The financial year referred to in the accounts as 'the year' is taken to end on the nearest Sunday to the end of March. This year therefore ends on 3 April 2016.

Foreign currencies

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

Turnover

Turnover comprises the invoiced value of goods and services supplied by the group, net of value added tax and rebates paid to members. It also includes subscriptions paid by members.

Exceptional costs

Exceptional costs are shown separately on the face of the profit and loss account. They constitute costs that are not expected to recur in the long run. Details of these exceptional costs are set out in note 3c and explained in the chief financial officer's review on page 10.

Pension costs

The group operates a defined contribution pension scheme. Contributions are charged to the profit and loss account, as they become payable in accordance with the rules of the scheme.

Intangible fixed assets

Under FRS102, we have restated our software assets, previously shown as Tangible fixed assets, as Intangible fixed assets. There has been no change in the useful life applied, and the methods of reviewing for impairment, calculation of depreciation and recognition as an asset remain the same.

Depreciation is provided on all intangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, on the following basis:

Computer software: *2-7 years straight line*

The carrying values of intangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. In the current year, we have reviewed the performance of our EPOS solution and this has highlighted that while it is sustainable in the long term, the income generated is insufficient to support the carrying value. We have therefore impaired the asset. More details are provided in note 9.

Tangible fixed assets

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, on the following basis:

Freehold premises: *50 years straight line*
Computer hardware: *2-7 years straight line*
Office fixtures, fittings and equipment: *3-10 years straight line*

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Stocks

Stock is valued at the lower of cost and net realisable value. Cost is the invoiced price from the supplier on a weighted average basis net of known supplier rebates.

Rebates

The group receives supplier rebates and pays out rebates to members as follows:

Supplier rebates - income is received from suppliers for a number of services provided, including but not limited to:

HERITAGE

SALES up 7.9% TO £119m

1. ACCOUNTING POLICIES (continued)

- Advertising aimed at the end consumers (leaflets, point of sale, Nisa FM, vehicle and social media) and advertising aimed at our members (in house magazines and our ordering system)
- Volume based rebates or over-riders
- Adhoc initiatives, new lines, damages

Member rebates - these are made to members for the following:

- Volume purchased from Nisa - to make our deliveries more efficient
- Breadth of range purchased from Nisa - to ensure that customers are not disappointed with the Nisa offer
- Standards of store that have been maintained throughout the period, judged by mystery shopper visits

Reserves for own shares
Shares held by the Nisa Retail Members Trust are classified in capital and reserves as 'reserve for own shares' and recognised at cost. Consideration received for the sale of such shares is also recognised in equity, with any difference between the proceeds from sale and the original cost taken to the profit and loss reserve. No gain or loss is recognised on the purchase, sale or cancellation of equity shares.

Deferred taxation
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted;

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Leasing commitments
Assets held under finance leases, which are those where substantially all the risks and rewards of ownership of the asset have been passed to the group, are capitalised in the balance sheet and are depreciated over their estimated useful lives. The interest element is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayment outstanding. Rentals paid under operating leases are charged to income, on a straight line basis over the term of the lease. In both the current and the previous year, we have not held any assets under finance leases.

Capitalisation of finance costs
Finance costs that are directly attributable to the construction of tangible fixed assets are capitalised as part of the cost of these assets. Where funds are borrowed specifically for the purposes of financing the construction of tangible fixed assets, the amount of finance costs capitalised is limited to the actual costs incurred during the period of construction. Where the funds used to finance the construction of a tangible fixed asset form part of the group's general borrowings, a weighted average of rates applicable to general borrowings that are outstanding during the period will be used to determine the amount of finance costs to be capitalised.

Legal & litigation costs
Costs associated with the provision of legal services and advice are recognised in the accounts as and when incurred. Potential costs associated with any legal action or litigation are recognised in the accounts if: any kind of legal process has commenced, the quantum of these proceedings are thought by management to be material and there is a likelihood the process may result in a liability arising to the group. Further details are in note 3c and the CFO review.

Classification of shares as debt or equity
When shares are issued, any component that creates a financial liability of the group would be presented as a liability in the balance sheet. No shares in issue in this year or last fall into that category and therefore they are all shown as equity.

2. TURNOVER AND SEGMENTAL ANALYSIS

Turnover represents the amounts derived from the provision of goods and services which fall within the group's ordinary activities, stated net of value added tax. It is analysed as follows:

	FY16 £'000 (53 Weeks)	FY15 £'000 (52 Weeks)
TURNOVER		
Fresh and frozen	254,115	241,672
Licensed	206,491	214,853
Tobacco	411,042	423,405
Grocery & non-food	427,790	446,067
TRADING TURNOVER	**1,299,438**	1,325,997
Other sales - including central invoicing	38,617	34,583
Subscriptions	1,894	2,099
Less member rebates	(30,719)	(28,026)
NET TURNOVER	**1,309,230**	1,334,653

The group and company operate in the geographical market of the United Kingdom and Eire. The scale of operation in Eire is sufficiently small as to not warrant separate disclosure and as such the directors consider that the business has one segment, that of the provision of wholesale deliveries to our members. In FY15 subscriptions were shown as other operating income; they are classified as turnover, as they represent income from our customers.

3. OPERATING PROFIT

(a) This is stated after charging:

	FY16 £'000	FY15 £'000
Depreciation of assets held under finance leases	-	80
Amortisation of owned intangible assets	2,076	2,030
Impairment of owned intangible assets	1,894	-
Depreciation of owned tangible assets	1,227	1,110
Operating lease rentals - plant and equipment	933	960
Auditor's remuneration - audit services	75	74
- taxations services	9	12

3. OPERATING PROFIT (continued)

(b) Reconciliation of operating profit to net cash inflow from operating activities

	FY16 £'000	FY15 £'000
Operating profit / (loss)	(4,516)	(10,453)
Depreciation of owned tangible assets and amortisation and impairment of owned intangible assets	5,197	3,220
(Decrease) / Increase in Provisions	(1,010)	2,200
(Increase) / Decrease in Debtors	(5,123)	25,340
(Increase) / Decrease in Stocks	(3,557)	18,409
Increase/ (Decrease) in Creditors	7,745	(49,528)
Net cash outflow from operating activities	(1,264)	(10,812)

(c) Exceptional items (before tax)

	FY16 £'000	FY15 £'000
EPOS assets impairment	1,894	-
EPOS assets onerous contract	1,190	-
Refinancing	1,643	-
Litigation	1,038	1,771
Reorganisation	502	2,323
Data leak	-	261
TOTAL	6,267	4,355

4. DIRECTORS' REMUNERATION

	FY16 £'000	FY15 £'000
Total Emoluments	1,403	1,020
Company contributions made to money purchase pension schemes	74	84
Aggregate amounts receivable under long-term incentive schemes	0	0
	No	No
Number of directors accruing benefits under money purchase pension scheme	3	4

4. DIRECTORS' REMUNERATION (continued)

Amounts accrued during the year were as follows:

	Salary, Bonus, Benefits & NI £'000	Pension Contributions £'000	Total FY16 £'000	Total FY15 £'000
BJ Amin (Appointed 23/11/2015)	1	-	1	-
HS Aslam (Resigned 27/01/2015)	-	-	-	5
CJ Baker	113	-	113	113
R Brown (Appointed 7/10/2015)	243	17	260	-
S Ghafoor (Resigned 23/11/2015)	3	-	3	5
SS Gill (APPOINTED 23/11/2015)	1	-	1	-
MS Goraya (Appointed 23/11/2015)	1	-	1	-
PC Hartley	50	-	50	50
I Hunt (Resigned 29/09/2014)	-	-	-	2
SH Jempson (Resigned 29/09/2014)	-	-	-	2
AJ Jones (Resigned 05/10/2014)	-	-	-	139
V Odedra	4	-	4	5
M Proudfoot (Resigned 29/09/2014)	-	-	-	2
NJ Read (Appointed 23/02/2015)	662	45	707	35
R Rehman (Resigned 27/01/2015)	-	-	-	4
KS Sangha	4	-	4	2
SD Smith (Appointed 7/10/2015)	185	12	197	-
A Strong	4	-	4	2
J Sunner	4	-	4	2
J Sunner (Resigned 29/09/2014)	-	-	-	2
NA Turton (Resigned 27/02/2015)	-	-	-	277
S Vadhera (Retired 29/02/2016)	4	-	4	5
S Webster (Resigned 13/04/2015)	-	-	-	318
G Wilmot	50	-	50	50
	1,329	74	**1,403**	1,020

5. STAFF COSTS (excluding directors)

The average weekly number of employees (total and full time equivalent) of the company during the year was as follows:

	FY16 Total	FY15 Total	FY16 FTEs	FY15 FTEs
Central distribution/retail	285	302	282	285
Directors	15	19	2	4
Total	**300**	321	**284**	289

The aggregate payroll costs of the Central distribution/retail employees was as follows:

	FY16 £'000	FY15 £'000
Wages and salaries	11,175	8,686
Social security costs	1,188	943
Pension costs	903	791
	13,266	10,420

6.INTEREST PAYABLE

	FY16 £'000	FY15 £'000
Bank interest	846	798

There was no bank interest receivable during the year or last year.

SALES ARE

£1,309M

2.3% HIGHER WHEN ADJUSTING FOR THE LOSS OF COSTCUTTER
(and week 53)

7. TAXATION

(a) Tax on loss on ordinary activities

	FY16 £'000	FY15 £'000
The tax charge is made up as follows:		
CURRENT TAX		
UK Corporation Tax	-	(1,527)
Adjustments in respect of prior periods		(25)
Total current tax (note 7b)	-	(1,552)
DEFERRED TAX		
Origination and reversal of timing differences	(900)	(780)
Effect of change in tax rate	11	
Adjustment in respect of prior periods	(8)	(2)
Total deferred tax (note 7c)	(897)	(782)
Tax on profit on ordinary activities	(897)	(2,334)

(b) Factors affecting the tax charge for the year

The tax assessed on the profit on ordinary activities for the year is lower (FY15: lower) than the standard rate of Corporation Tax in the UK of 20% (FY15: 21%). The differences are reconciled below:

	FY16 £'000	FY15 £'000
Loss on ordinary activities before tax	(5,362)	(11,251)
Loss on ordinary activities multiplied by standard rate of Corporation Tax of 20% (FY15 - 21%)	(1,072)	(2,363)
EFFECTS OF:		
Expenses not deductible for tax purposes/non-taxable income	29	32
Net impact of losses carried back	-	(133)
Fixed asset differences	115	120
Adjustments in respect of prior periods	(8)	(27)
Change in tax rate	39	37
Total tax (note 7a)	(897)	(2,334)
THIS CREDIT IS SPLIT BETWEEN CURRENT AND DEFERRED AS FOLLOWS:		
Current tax	-	(1,552)
Deferred tax	(897)	(782)
Total	(897)	(2,334)

Deferred tax is required to be measured at the tax rates expected to apply in the periods in which the temporary differences are expected to reverse.

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. The deferred tax asset at 3 April 2016 has been calculated based on these rates.

An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016.

(c) Deferred taxation

The deferred tax included in the balance sheet is as follows:

	FY16 £'000	FY15 £'000
Accelerated capital allowances	(250)	504
Losses and other deductions	(1,098)	(134)
Other timing differences	-	(821)
Provision for deferred tax	(1,348)	(451)

	£'000
At 29 March 2015	(451)
Profit and loss account	(897)
At 3 April 2016	(1,348)

8. RETAINED LOSS FOR THE YEAR

The loss for the year was dealt with in the accounts of the holding company and so the company loss is equal to the group loss.

9. INTANGIBLE FIXED ASSETS

	EPOS £'000	Other Software £'000	Total £'000
COST			
At 29 March 2015	1,800	24,964	26,764
Additions	1,068	1,240	2,308
At 3 April 2016	2,868	26,204	**29,072**
AMORTISATION			
At 29 March 2015	492	21,305	21,797
Provided in the year	482	1,594	2,076
Impairment	1,894	-	1,894
At 3 April 2016	2,868	22,899	**25,767**
NET BOOK VALUE			
At 30 March 2015	1,308	3,659	**4,967**
At 3 April 2016	-	3,305	**3,305**

All the amortisation provided in the year is charged to the depreciation line within administration expenses. The impairment is treated as exceptional.

As noted in the CFO review on page 10, the asset has been impaired to reflect the fact that the expected income relating to the asset is insufficient to support the carrying value.

10. TANGIBLE FIXED ASSETS

	Freehold land £'000	Freehold buildings £'000	Fixtures & fittings £'000	Total £'000
COST				
At 29 March 2015	2,362	28,674	6,113	37,149
Additions	-	-	796	796
At 3 April 2016	2,362	28,674	6,909	**37,945**
DEPRECIATION				
At 29 March 2015	-	5,215	4,787	10,002
Provided in the year	-	574	653	1,227
At 3 April 2016	-	5,789	5,440	**11,229**
NET BOOK VALUE				
At 30 March 2015	2,362	23,459	1,326	**27,147**
At 3 April 2016	2,362	22,885	1,469	**26,716**

11. INVESTMENTS

	Subsidiary undertaking £'000
Cost - at start and end of year	7
Amounts written off - at start and end of year	7
Net book value - at start and end of year	-

The following were subsidiary undertakings of the company at the end of the year:

Name of company	Country of registration	Proportion held
Cellars International Limited	England and Wales	100%
Nisa-Today's (Ireland) Limited	England and Wales	100%
Nisa-Today's Limited	England and Wales	100%
Nisa Limited	England and Wales	100%
Premier Drinks (UK) Limited	England and Wales	100%
Nisa Wholesale Limited	England and Wales	100%
Nisa-Todays Central Buying Company Limited	England and Wales	100%

All of the above entities are dormant entities.

12. STOCKS

	FY16 £'000	FY15 £'000
Goods for resale	42,043	38,486
Other	32	32
	42,075	38,518

13. DEBTORS

	FY16 £'000	FY15 £'000
Trade debtors	113,935	107,523
Prepayments and accrued income	9,457	10,746
Corporation tax	-	1,955
Deferred tax (Note 7C)	1,348	451
	124,740	120,675

Deferred tax

Our total deferred tax asset (which arises through the losses incurred in the current and prior years) will be recovered over the next 3 years. £162k will be recovered within the next year and the residual of £1,172k will be recovered over the following 2 years.

14. CASH AND CASH EQUIVALENTS

Analysis of balances as shown in the group balance sheet and changes during the current and previous year

	FY16 £'000	FY15 £'000	Change in year £'000
Cash at bank and in hand / (Funds In Use)	**(56,956)**	(51,204)	**(5,752)**

	FY15 £000	FY14 £000	Change in year £000
Cash at bank and in hand	**(51,204)**	(34,645)	**(16,559)**

The bank holds a fixed charge over the book debts owing to the group in respect of goods and services supplied by the company excluding rebates due to members. In addition the bank holds a counter indemnity in respect of undertaking bonds and guarantees of up to £25.0m (FY15: £25.0m). No loss to the group is expected to arise as a result of this arrangement.

The directors negotiated new banking facilities during the year, covering the period to October 2017.

A summary of the total banking facility, at the balance sheet date, is outlined below:

	FY16 £000	FY15 £000
Revolving credit facilities*	62,500	55,000
Development fund overdraft	700	1,500
Term loan	15,000	15,000
Bank guarantees	25,000	25,000
	103,200	96,500

*Of the current year £62.5m, £55m is secured on the general debtor balance and £7.5m specifically on demand in respect of the My Local debt.

15. CREDITORS: amounts falling due within one year

	FY16 £000	FY15 £000
Trade creditors	88,554	84,498
Bank overdraft	56,956	51,204
Current instalments due on bank loan	1,481	11,977
Other taxation and social security	7,459	7,113
Corporation tax	-	-
Accruals and deferred income	5,612	3,137
Rebates due to members: Group	-	1,473
Central distribution	5,482	3,240
Development funds	4,110	4,012
	169,654	166,654

16. CREDITORS: amounts falling due after more than one year

	FY16 £'000	FY15 £'000
Warehouse/Office development loan	8,620	-

Bank loans are secured by a mortgage over the freehold property of the company together with a fixed charge on all book debts owing to the company excluding rebates due to members.

The warehouse/office development loan was renegotiated in October 2015 and interest is chargeable on the whole balance of £10.5m at LIBOR + 2%.

17. PROVISIONS

	Litigation £'000	Onerous contract £'000	FY16 £'000
At start of the year	2,200	-	2,200
Utilised	(838)	-	(838)
Transfers to / (from) accruals and deferred income	(1,362)	-	(1,362)
Charge in the year	-	1,190	1,190
At end of the year	-	1,190	1,190

	Litigation £'000	Onerous contract £'000	FY15 £'000
At start of the year	-	-	-
Transfers to / (from) accruals and deferred income	750	-	750
Charge in the year	1,450	-	1,450
At end of the year	2,200	-	2,200

LITIGATION

The litigation provision relates to the amounts provided in relation to a legal case with one of our former suppliers. After the balance sheet date, agreement was reached with the third party and as the amount to be settled was no longer in any doubt this was transferred to creditors and accruals.

ONEROUS CONTRACT

The provision taken is for a contract related to our EPOS service where we do not recharge the full amount to members, the remaining contract (to June 2018) has been provided against.

18. OBLIGATIONS UNDER LEASES

Commitments under non-cancellable operating leases are as follows:

	FY16 £'000	FY15 £'000
Operating leases (other than land and buildings) payable:	583	880
Within one year	234	539
Between two and five years	**817**	1,419

No operating leases are held in respect of land and buildings.

19. SHARE CAPITAL

Allotted, called up and fully paid		
	FY16 £	FY15 £
Ordinary shares of £1 each	59,760	59,760
Ten year 6% cumulative, redeemable preference shares of £1 each	-	-
	59,760	59,760

The Nisa Retail Trust is funded by Nisa Retail Limited to enable leaving or non-trading members to sell their shares without waiting for an incoming member to be available to purchase the shares, as permitted by the company's Articles of Association. Any expenses incurred by the Trust are also charged in the financial statements as incurred.

Movements on the number of shares over the year were as follows:

	FY16 Number	FY15 Number
Opening	3,285	7,590
Sold	(488)	(4,870)
Bought	2,814	565
Closing	**5,611**	3,285

20. CAPITAL REDEMPTION RESERVE

This relates to the purchase/redemption of shares, as follows:

	FY16 £	FY15 £
Ordinary shares of £1 each	3,305	3,305
Ten year 6% cumulative, redeemable preference shares of £1 each	1,068,172	1,068,172
	1,071,477	1,071,477

21. RECONCILIATION OF SHAREHOLDERS' FUNDS

	FY16 £'000	FY15 £'000
(Loss) for the year	(4,465)	(8,917)
Dividends	-	(760)
Movement in shares held in trust	(616)	1,364
Total movements during the year	(5,081)	(8,313)
Shareholders' funds at 29 March 2015 (30 March 2014)	22,453	30,766
Shareholders' funds at 3 April 2016 (29 March 2015)	**17,372**	22,453
Equity	**17,372**	22,453

22. CAPITAL COMMITMENTS

Capital expenditure authorised but not contracted or provided for amounted to £2.9m (FY15 - £3.5m).

23. PENSION COMMITMENTS

The company operates a defined contribution scheme for its senior employees. The assets of the scheme are held separately from those of the company in an independently administered scheme. There are no outstanding commitments at the year-end.

24. RELATED PARTY TRANSACTIONS

The following transactions took place with member companies having a representative on the board of directors throughout the year:

Director	Representing	FY16			FY15		
		Sales £'000	Rebates £'000	Months serving as a director	Sales £'000	Rebates £'000	Months serving as a director
BJ Amin	Jash Ltd	1,712	29	3	-	-	-
H Aslam	Eros Retail Limited	-	-	-	1,432	7	10
S Ghafoor	Northern Retail Ltd	715	7	8	1,307	23	12
SS Gill	S S Gill (sole trader)	809	16	3	-	-	-
MS Goraya	Total Retail Ltd	259	4	3	-	-	-
I Hunt	Filco Supermarkets	-	-	-	5,223	134	6
SH Jempson	Jempsons Limited	-	-	-	5,528	165	6
VN Odedra	V & N Limited	2,253	55	12	2,100	31	12
MA Proudfoot	Proudfoot Group of Companies	-	-	-	3,003	107	6
R Rehman	Eros Retail Limited	-	-	-	1,432	7	10
KS Sangha	Sangha's Supermarket	1,571	30	12	876	19	6
A Strong	J D Hunter & Co	2,595	92	12	1,285	45	6
J Sunner	Michaels Foodmarkets Limited	-	-	-	712	7	6
J Sunner	Michaels Supermarket Limited	1,166	27	12	644	13	6
S Vadhera	North East Convenience Stores Limited	17,288	411	11	17,932	689	12

24. RELATED PARTY TRANSACTIONS continued

At 3 April 2016 (29 March 2015) the amounts due from/(to) members with a representative on the board of directors were as follows:

		At 3 April 2016		At 30 March 2015	
Director	Representing	Debtors £'000	Creditors £'000	Debtors £'000	Creditors £'000
BJ Amin	Jash Ltd	266	(19)	-	-
S Ghafoor	Northern Retail Ltd	-	-	75	(2)
SS Gill	S S Gill (sole trader)	127	(9)	-	-
MS Goraya	Total Retail Ltd	52	(2)	-	-
VN Odedra	V & N Limited	135	(2)	148	(7)
KS Sangha	Sangha's Supermarket	90	(4)	76	(5)
A Strong	J D Hunter & Co	96	(16)	97	(14)
J Sunner	Michaels Supermarket Limited	56	(3)	72	(3)
S Vadhera	North East Convenience Stores Limited	-	-	1,454	(109)

Rebates are recorded as payable above but are paid at the end of each quarter (for volume and range based rebates) and when invoices are presented (for the development based rebates). They are therefore also represented in the creditors figures above.

25. POST BALANCE SHEET EVENT

On 3 June 2016 a final settlement agreement was obtained on the litigation case with a former supplier and the remaining provision made in the accounts.

On 21 June My Local, one of our newer members, gave notice of its intention to go into administration. This was anticipated and no material loss is expected to arise after recovery of insurance proceeds and utilisation of provisions held at the year end.

26. CHARITY ADMINISTRATION - MAKING A DIFFERENCE LOCALLY

The company administers the charity Making a Difference Locally Ltd (reg no. 06502266) for and on behalf of Nisa Retail Limited members.

Making A Difference Locally Ltd is a registered charity, registered number 1123800.

The work undertaken involves negotiation with suppliers on an agreed contribution related to the amount of CDS product purchased by the company through it's members. On a monthly basis the company calculates the amounts due from suppliers, raises the required invoices and collects monies owed on behalf of the charity. Monies received are then paid over to Making A Difference (Marketing) Ltd, a wholly own subsidiary of Making A Difference Locally Ltd.

NOTES

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