

## Notes to the Consolidated Financial Statements (continued)

### 4.8 Financial Risk Management (continued)

A movement of the euro, as indicated, against sterling at 29 November 2015 would have increased/(decreased) equity and profit or loss by the amounts detailed above. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the period. The analysis assumes that all other variables remain constant.

#### Interest Rate Risk

The Group is exposed to interest rate risk on its floating rate interest bearing borrowings and floating rate cash and cash equivalents. The Group's interest rate risk policy seeks to minimise finance charges and volatility by structuring the interest rate profile into a diversified portfolio of fixed rate and floating rate financial assets and liabilities. Interest rate risk on floating rate interest bearing borrowings is not significant.

At the balance sheet date the interest rate profile of the Group's interest bearing financial instruments was:

	29 November 2015 £m	30 November 2014 £m
<b>Fixed Rate Instruments</b>		
Financial assets	41.6	50.8
Financial liabilities	(163.4)	(169.0)
<b>Variable Rate Instruments</b>		
Financial assets	4.2	25.5
Financial liabilities	(9.2)	(6.7)

#### Sensitivity Analysis

An increase of 100 basis points (1.0%) in interest rates would increase equity and profit or loss by the amounts shown below. A rate of 100 basis points was assessed as being appropriate, considering the current short-term interest rate outlook. The calculation applies the increase to average floating rate interest bearing borrowings and cash and cash equivalents existing during the period. This analysis assumes that all other variables remain constant and considers the effect on financial instruments with variable interest rates.

	29 November 2015 £m	30 November 2014 £m
<b>Equity</b>		
Gain	—	—
<b>Income</b>		
Gain	—	0.1

### 4.9 Share Capital and Reserves

#### Accounting Policy

Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

#### Share Capital and Reserves

As at 29 November 2015, the number of ordinary shares available for issue under the Block Listing Facilities was 14,620,308 (2014: 19,094,500). These ordinary shares will only be issued and allotted when the shares under the relevant share incentive plan have been awarded or the share options under the Group's executive share ownership scheme and non-employee share options and Sharesave schemes have been exercised. They are therefore not included in the total number of ordinary shares outstanding below.

The movements in the called up share capital and share premium accounts are set out below:

	Ordinary Shares Number of Shares (million)	Ordinary Shares £m	Share Premium £m
<b>At 1 December 2013</b>	617.7	12.4	251.5
Issues of ordinary shares	0.5	—	0.1
Allotted in respect of Joint Share Ownership Scheme	—	—	0.2
Allotted in respect of share option schemes	2.7	0.1	3.3
<b>At 30 November 2014</b>	620.9	12.5	255.1
Issues of ordinary shares	0.6	—	0.5
Reacquisition of interest in treasury shares	—	—	(0.8)
Allotted in respect of share option schemes	3.9	0.1	3.9
<b>At 29 November 2015</b>	625.4	12.6	258.7

#### 4.9 Share Capital and Reserves (continued)

Included in the total number of ordinary shares outstanding above are 34,770,981 (2014: 34,810,561) ordinary shares held by the Group's employee benefit trust (see Note 4.10(b)). The ordinary shares held by the trustee of the Group's employee benefit trust pursuant to the Joint Share Ownership scheme are treated as treasury shares in the Consolidated balance sheet in accordance with IAS 32 "Financial Instruments: Presentation". These ordinary shares have voting rights but these have been waived by the trustee (although the trustee may vote in respect of shares that have vested and remain in the trust). The number of allotted, called up and fully paid shares, excluding treasury shares, at the end of each period differs from that used in the basic profit per share calculation in Note 2.9 as basic profit per share is calculated using the weighted average number of ordinary shares in issue during the period, excluding treasury shares.

The movements in reserves other than share premium are set out below:

	Notes	Treasury Shares Reserve £m	Reverse Acquisition Reserve £m	Fair Value Reserve £m
<b>At 1 December 2013</b>		(52.4)	(116.2)	(0.1)
Movement on derivative financial instrument	4.9(b)	—	—	(0.2)
Disposal of treasury shares	4.9(a)	0.6	—	—
<b>At 30 November 2014</b>		(51.8)	(116.2)	(0.3)
Movement on derivative financial instrument	4.9(b)	—	—	(0.5)
Disposal of treasury shares	4.9(a)	0.1	—	—
Reacquisition of interests in treasury shares	4.9(a)	0.8	—	—
<b>At 29 November 2015</b>		(50.9)	(116.2)	(0.8)

##### (a) Treasury Shares Reserve

This reserve arose when the Group issued equity share capital under its JSOS, which is held in trust by the trustee of the Group's employee benefit trust.

Treasury shares cease to be accounted for as such when they are sold outside the Group or the interest is transferred in full to the participant pursuant to the terms of the JSOS. Participant interests in unexercised shares held by participants are not included in the calculation of treasury shares; unvested interests of leavers which have been reacquired by the Group's employee benefit trust during the period are not accounted for as treasury shares. See Note 4.10(b) for more information on the JSOS.

##### (b) Other Reserves

The fair value reserve comprises gains and losses on movements in the Group's cash flow hedges, which consist of commodity swaps and foreign currency hedges.

The acquisition by the Company of the entire issued share capital in 2010 of Ocado Limited was accounted for as a reverse acquisition under IFRS 3 (revised). Consequently the previously recognised book values and assets and liabilities have been retained and the consolidated financial information for the period to 29 November 2015 has been presented as if the Company had always been the parent company of the Group.