

Notes to the Company Financial Statements (continued)

Section 2 — Results for the Year

2.1 Profit Before Tax

Accounting Policies

Administrative Expenses

Administrative expenses consist of fees for professional services, bank charges and any other costs of an administrative nature.

2.2 Operating Loss

During the period, the Company obtained audit services from its auditors, PricewaterhouseCoopers LLP, to the amount of £0.06 million (2014: £0.06 million).

2.3 Employee Information

The Company does not incur any direct staff costs as the Group's employees are employed by a subsidiary company.

Analysis and disclosures in relation to share-based payments are given in Note 4.2.

Section 3 – Assets and Liabilities

3.1 Investments

Accounting Policies

Investments in Group companies are valued at cost less accumulated impairment.

Investments

	29 November 2015 £m	30 November 2014* £m
Cost	476.5	476.5
Contributions to subsidiaries:		
— Novation of derivative liability in respect of warrants issued by Ocado Limited	1.1	1.1
— Group share-based payments	20.9	11.1
Carrying Value at end of Period	498.5	488.7

* The presentation of the carrying value between cost and contributions to subsidiaries at 30 November 2014 has been corrected. There is no impact to the carrying value of investments as at 30 November 2014.

Investments represent investments in Group companies, Ocado Holdings Limited and Ocado Innovation Limited. For more information regarding the Company's investments see Note 5.1.

Subsidiaries are recharged for the amount recognised as share-based payments relating to awards to their employees. These are recognised as an increase in the investment in relevant subsidiaries in accordance with IFRS 2 "Share-based Payments".

3.2 Working Capital

Accounting Policies

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period which are classified as non-current assets. The Company's loans and receivables comprise "Other receivables" and "Cash and cash equivalents" in the Balance sheet.

Other Receivables

Other receivables are non-interest bearing and are recognised initially at fair value, and subsequently at amortised cost, reduced by appropriate allowances for estimated irrecoverable amounts. No security has been granted over other receivables unless stated otherwise.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and short-term deposits with a maturity of three months or less at the Balance sheet date.

Financial Liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Trade and Other Payables

Trade and other payables are initially recognised at fair value and subsequently at amortised cost, using the effective interest rate method.