

Company registration number 02517178

**Alliance Boots Holdings 1 Limited** (formerly Alliance UniChem Limited)  
**Directors' report and financial statements**  
for the year ended 31 March 2010

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# Alliance Boots Holdings 1 Limited (formerly Alliance UniChem Limited)

## Directors' report

for the year ended 31 March 2010

The Directors present their report and the audited financial statements for the year ended 31 March 2010

### Principal activities

The Company's principal activity during the year was that of a holding company within the Alliance Boots GmbH group ('Group')

### Business review

The retained profit for the year was £198.9 million (2009: £199.3 million)

The Directors do not anticipate any significant changes to the level of business activity in the coming year. The Directors are satisfied with the performance of the Company for the year and with its financial position at the end of the year. The Directors consider the future prospects of the Company to be good.

There have been no significant events since the balance sheet date which should be considered for a proper understanding of these financial statements.

On the 11 May 2010 the Company changed its name from Alliance UniChem Limited to Alliance Boots Holdings 1 Limited.

### Principal risks and uncertainties

The Company's Directors monitor the overall risk profile of the Company. In addition, the Directors are responsible for determining clear policies as to what the Company considers to be acceptable levels of risk. These policies seek to enable people throughout the Company to use their expertise to identify risks that could undermine performance and to devise ways of bringing them within acceptable levels. Where the Directors identify risks that are not acceptable, they develop action plans to mitigate them with clear allocation of responsibilities and timescales for completion and ensure that progress towards implementing these plans is monitored and reported upon.

### Going concern

The company's business activities, together with the factors likely to affect its future development and position, are set out in this report.

The Company has considerable financial resources available. After making enquiries, the Directors have a reasonable expectation that the Company 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 financial statements.

### Financial instruments

The Company is exposed to currency, credit and interest rate risk. The Group's treasury function manages these risks at a Group level in accordance with Group Treasury Policy including the use of financial instruments for the purpose of managing these risks. Group risks are discussed in the Group's Annual Review, which does not form part of this report.

### Dividends

A dividend of £200.0 million (2009: £261.0 million) was declared and paid in the year.

### Directors

The following served as Directors during the year:

S Pessina	(resigned 24 August 2009)
G Fairweather	(resigned 24 August 2009)
M Pagni	(resigned 24 August 2009)
O Barra	(resigned 24 August 2009)
S Duncan	(resigned 24 August 2009)
M Delve	(appointed 24 August 2009)
K McCoy	(appointed 24 August 2009)
F Standish	(appointed 24 August 2009)

The Alliance Boots Group places Directors' and Officers' insurance centrally and provides coverage for Directors' and Officers' liability exposure.

### Political and charitable donations

No political or charitable donations were made during the current or prior year.

### Auditors

The Company reappointed KPMG Audit Plc as auditors during the year. Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office.

# **Alliance Boots Holdings 1 Limited (formerly Alliance UniChem Limited)**

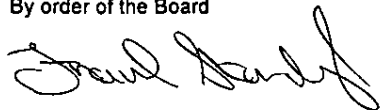
## **Directors' report (continued)**

for the year ended 31 March 2010

### **Statement as to disclosure of information to auditors**

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

By order of the Board



**Frank Standish**  
Company Secretary

30 June 2010

Registered office  
2 The Heights  
Brooklands  
Weybridge  
Surrey  
KT13 0NY

Registered in England and Wales No 02517178

## **Alliance Boots Holdings 1 Limited (formerly Alliance UniChem Limited)**

### **Directors' responsibilities statement**

for the year ended 31 March 2010

The Directors are responsible for preparing 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 the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

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 judgments and accounting 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,
- 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 are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Independent auditors' report**

to the members of Alliance Boots Holdings 1 Limited (formerly Alliance UniChem Limited)

We have audited the financial statements of Alliance Boots Holdings 1 Limited (formerly Alliance UniChem Limited) for the year ended 31 March 2010 set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 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 (APB'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 APB's web-site at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 March 2010 and of its profit for the year 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.

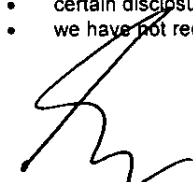
### **Opinion on other matter prescribed by the Companies Act 2006**

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

### **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.



**Stephen Cooper (Senior Statutory Auditor)**  
for and on behalf of KPMG Audit Plc, Statutory Auditor

Chartered Accountants  
London  
30 June 2010

## Alliance Boots Holdings 1 Limited (formerly Alliance UniChem Limited)

### Profit and loss account

for the year ended 31 March 2010

	Notes	2010 £million	2009 £million
Operating loss	2	(0.2)	(0.1)
Income from shares in subsidiary undertakings		200.0	189.7
Interest receivable and similar income	3	4.6	15.4
Interest payable and similar charges	4	(2.3)	(7.0)
Profit on ordinary activities before taxation		202.1	198.0
Tax on profit on ordinary activities	5	(3.2)	1.3
Profit for the financial year		198.9	199.3

There are no recognised gains and losses for the current and preceding financial years other than the profit of £198.9 million (2009: £199.3 million) shown above. Accordingly, no statement of recognised gains and losses is presented.

The amounts presented for the current and preceding financial years are derived from continuing operations.

The notes on pages 7 to 12 form part of the Company's financial statements.

# Alliance Boots Holdings 1 Limited (formerly Alliance UniChem Limited)

## Balance sheet

as at 31 March 2010

	Notes	2010 £million	2009 £million
<b>Fixed assets</b>			
Tangible assets	7	0.2	0.2
Investments	8	603.1	585.2
		<b>603.3</b>	<b>585.4</b>
<b>Current assets</b>			
Debtors	9	5.5	25.4
Cash at bank and in hand		0.1	0.2
		<b>5.6</b>	<b>25.6</b>
Creditors: amounts falling due within one year	10	(3.8)	(3.0)
<b>Net current assets</b>		<b>1.8</b>	<b>22.6</b>
<b>Total assets less current liabilities</b>		<b>605.1</b>	<b>608.0</b>
Creditors: amounts falling due after more than one year	11	(51.2)	(52.5)
Provisions for liabilities and charges	12	(2.4)	(2.9)
<b>Net assets</b>		<b>551.5</b>	<b>552.6</b>
<b>Capital and reserves</b>			
Called up share capital	13,14	36.2	36.2
Share premium account	14	509.4	509.4
Profit and loss account	14	5.9	7.0
<b>Shareholders' funds</b>		<b>551.5</b>	<b>552.6</b>

The notes on pages 7 to 12 form part of the Company's financial statements

These financial statements were approved by the Board on 30 June 2010 and were signed on its behalf by



**Martin Delve**  
Director



# Alliance Boots Holdings 1 Limited (formerly Alliance UniChem Limited)

## Notes to the financial statements

for the year ended 31 March 2010

### 1 Accounting policies

#### Basis of preparation

The financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice, and under the historical cost convention

AB Acquisitions Holdings Limited ('ABAHL'), the ultimate parent undertaking of the Company, includes the Company's assets, liabilities and results in its own publicly-available consolidated financial statements. Under FRS 1 (Revised 1996), 'Cash flow statements', the Company is therefore exempt from the requirement to prepare a cash flow statement

The Company's voting rights are wholly controlled within the ABAHL group and, consequently, the Company is exempt under FRS 8, 'Related party Disclosures', from disclosing transactions with entities that are part of the ABAHL group or investees of the ABAHL group qualifying as related parties. The Company also qualifies on this basis for the exemption from presenting financial instruments disclosures in accordance with FRS 29 'Financial Instruments Disclosures'. The disclosures required by FRS 29 are included in the Group's publicly-available consolidated financial statements

The Company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements and deliver them to the Registrar of Companies. The financial statements therefore present information about the Company as an individual undertaking and not about its group

#### Currency

Transactions denominated in non-sterling currencies are recorded at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in non-sterling currencies at the balance sheet date are translated at the exchange rates ruling at that date. Non-monetary assets and liabilities denominated in non-sterling currencies are translated using the exchange rates at the date of the underlying transactions. Exchange gains or losses are included in the profit or loss account

#### Interest receivable and similar income

Interest receivable and similar income comprises interest receivable on funds invested, calculated using the effective interest rate, fair value movements on applicable derivative financial instruments and net exchange movements related to funds invested

#### Interest payable and similar charges

Interest payable and similar charges comprises interest payable on borrowings, calculated using the effective interest rate, financing fees, fair value movements on applicable derivative financial instruments and net exchange movements related to financing items

#### Tangible fixed assets

##### Cost

All tangible fixed assets are stated at cost less accumulated depreciation and impairment losses

##### Depreciation

Depreciation of tangible fixed assets is provided to write off the cost, less residual value, in equal instalments over their expected useful economic lives as follows

- Freehold and long leasehold buildings – depreciated to their estimated residual values over their useful economic lives of not more than 50 years,

Residual values, where material, and remaining useful economic lives are reviewed annually and adjusted if appropriate

##### Disposals

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the profit and loss account. Any impairment in the value of fixed assets is recognised immediately

#### Investments

Investments are stated at cost less provision for impairment

#### Impairment of assets

The Company's fixed assets are reviewed at each balance sheet date to determine whether events or changes in circumstances exist that indicate that their carrying amount may not be recoverable. If such an indication exists, the fixed asset's recoverable amount is estimated. The recoverable amount is the higher of a fixed asset's net realisable value and its value in use. An impairment loss is recognised in the profit and loss account for the amount by which the asset's carrying amount exceeds its recoverable amount

#### Cash at bank and in hand

Cash comprises cash in hand and deposits repayable on demand. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet

# Alliance Boots Holdings 1 Limited (formerly Alliance UniChem Limited)

## Notes to the financial statements (continued)

for the year ended 31 March 2010

### 1 Accounting policies (continued)

#### Financial instruments and derivative financial instruments

Financial assets and liabilities are recognised in the balance sheet at fair value when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities, excluding derivative financial instruments, are subsequently measured at amortised cost using the effective interest rate method.

The Company uses derivative financial instruments to hedge its exposure to currency translation and interest rate risks arising from operating, financing and investing activities. The Company does not hold or issue derivative financial instruments for trading purposes. Derivatives that do not qualify for hedge accounting are accounted for at fair value with movements taken to the profit and loss account.

Derivative financial instruments are recognised initially at fair value, with movements on remeasurement recognised immediately in the profit and loss account. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see below).

The derivative financial instruments that the Company holds are not traded in an active market. Accordingly, their fair values are determined by using suitable valuation techniques that do not make use of entity-specific estimates or by using movements in observable prices for underlying financial instruments attributable to the hedged risks. The fair values of interest rate swaps is calculated by discounting the estimated cash flows received and paid based on the applicable observable yield curves using the interest free rate. The fair value of cross currency contracts is estimated by discounting the difference between the contractual forward price and the current available forward price for the residual maturity of the contract using the risk-free interest rate. All computed fair values for derivative financial instruments include an appropriate adjustment for own and counterparty credit risk as appropriate.

#### Hedge of monetary assets and liabilities

Where a derivative financial instrument is used to hedge economically the currency translation exposure of a recognised monetary asset or liability, no hedge accounting is applied and any gain or loss on the hedging instrument is recognised in the profit or loss account.

Borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the profit and loss account over the period of the borrowings on an effective interest basis.

#### Investments

Investments are stated at cost less provision for impairment.

#### Impairment of assets

The Company's fixed assets are reviewed at each balance sheet date to determine whether events or changes in circumstances exist that indicate that their carrying amount may not be recoverable. If such an indication exists, the fixed asset's recoverable amount is estimated. The recoverable amount is the higher of a fixed asset's net realisable value and its value in use. An impairment loss is recognised in the profit and loss account for the amount by which the asset's carrying amount exceeds its recoverable amount.

#### Taxation

##### Current taxation

Current tax is recognised at the amount expected to be paid or recovered for the period based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

##### Deferred taxation

Deferred tax is recognised on all timing differences that have originated but not reversed by the balance sheet date. Deferred tax assets are only recognised to the extent that it is more likely than not there will be suitable taxable profits against which the underlying timing differences can reverse. Deferred tax liabilities are not recognised in respect of corporation tax on chargeable gains arising on the disposal of assets where that gain is expected to be deferred indefinitely.

Deferred tax is measured on a non-discounted basis at the average rates expected to apply in the periods when the timing differences are expected to reverse using the tax rates and laws enacted or substantively enacted at the balance sheet date.

#### Share capital

##### Equity instruments

An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Accordingly, a financial instrument is treated as equity if

- there is no contractual obligation to deliver cash or other financial assets or to exchange financial assets or liabilities on terms that may be unfavourable, and
- the instrument is a non-derivative that contains no contractual obligation to deliver a variable number of shares or is a derivative that will be settled only by the Group exchanging a fixed amount of cash or other assets for a fixed number of the Company's own equity instruments.

Equity instruments are recorded as share capital and share premium, as applicable, net of tax-effected share issue costs. To the extent that this definition is not met, the proceeds of any issue are classified as a financial liability.

##### Dividends

Interim dividends on equity instruments classified as part of shareholders' funds are recognised as appropriations in the reconciliation of movements in shareholders' funds. Dividends unpaid at the balance sheet date are only recognised at that date to the extent that they are appropriately authorised by the shareholders of the Company and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

# Alliance Boots Holdings 1 Limited (formerly Alliance UniChem Limited)

## Notes to the financial statements (continued)

for the year ended 31 March 2010

### 2 Operating loss

	2010 £million	2009 £million
Administrative expenses	(0.2)	(0.1)
Operating loss	(0.2)	(0.1)

The 2010 audit fee was borne by a fellow group undertaking. The allocation that would have been incurred is £7,500 (2009: £7,500).

The Directors have not received any remuneration for their services to the Company either during the current year or prior year. There were no employees during the year (2009: nil).

### 3 Interest receivable and similar income

	2010 £million	2009 £million
Interest receivable from group undertakings	1.6	13.5
Gains on derivative financial instruments	2.9	1.9
Other finance income	0.1	-
	4.6	15.4

### 4 Interest payable and similar charges

	2010 £million	2009 £million
Losses on derivative financial instruments	2.3	7.0

### 5 Tax on profit on ordinary activities

An analysis of the tax (charge)/credit for the year is presented as follows:

	2010 £million	2009 £million
<b>Current tax</b>		
United Kingdom ("UK") corporation tax		
Corporation tax on income for the year at 28% (2009: 28%)	(1.1)	(8.3)
Double taxation relief	-	4.0
Adjustments in respect of prior periods	(2.6)	4.3
	(3.7)	-
Overseas taxation	-	(1.3)
	(3.7)	(1.3)
<b>Deferred tax (note 12)</b>		
Origination and reversal of timing differences	0.5	2.6
	0.5	2.6
<b>Tax (charge)/credit on profit on ordinary activities</b>	<b>(3.2)</b>	<b>1.3</b>

The current tax charge for the year is lower than (2009: lower than) the standard rate of corporation tax of 28% (2009: 28%) for the reasons set out in the following reconciliation:

	2010 £million	2009 £million
Profit on ordinary activities before tax	202.1	198.0
Current tax at 28% (2009: 28%)	(56.6)	(55.4)
<b>Effects of</b>		
Expenses not deductible for tax purposes	(0.5)	(0.2)
Non-taxable income	-	0.8
Non-taxable dividends received from UK companies	56.0	50.4
Timing differences	-	(2.6)
Unrelieved overseas taxation	-	1.4
Adjustments in respect of prior periods	(2.6)	4.3
<b>Total current tax charge</b>	<b>(3.7)</b>	<b>(1.3)</b>

# Alliance Boots Holdings 1 Limited (formerly Alliance UniChem Limited)

## Notes to the financial statements (continued)

for the year ended 31 March 2010

### 6 Dividends

The Company's paid and proposed dividends are presented as follows

	2010 £million	2009 £million
Dividends paid in the year		
Interim dividend paid	200 0	261 0
	200 0	261 0

### 7 Tangible fixed assets

The tangible assets of the Company, which are in relation to short leasehold land and buildings, are included in the balance sheet at a cost of £0 6 million (2009 £0 6 million) and cumulative depreciation of £0 4 million (2009 £0 4 million). There were no additions or disposals during the year.

### 8 Fixed asset investments

	Shares in group undertakings £million	Shares in associate undertakings £million	Loans to group undertakings £million	Total £million
Cost				
At 1 April 2009	201 0	43 2	341 0	585 2
Loans advanced	-	-	17 9	17 9
Transfer of associate to group undertakings	43 2	(43 2)	-	-
At 31 March 2010	244 2	-	358 9	603 1

During the year, the Group restructured the legal ownership of its interest in the ordinary share capital of Hedef Alliance Holding A S ("Hedef"). Under the restructuring, a new company, Alliance Healthcare Turkey Holding A S, was set up to hold the Group's entire 50 0% interest, following which the Company exchanged its 25 0% direct holding in Hedef for a 50 0% holding in Alliance Healthcare Turkey Holding A S. The Company's direct holding in Alliance Healthcare Turkey Holding A S is shown within shares in group undertakings.

The Company's principal subsidiary undertakings at the balance sheet date, all of which are indirectly held, are presented as follows

	Percentage interest in ordinary share capital held	Country of operation	Country of incorporation	Main activity
Boots Norge A S	100	Norway	Norway	Pharmacy-led health and beauty retailing
Alliance Apotheek B V	100	The Netherlands	The Netherlands	Retail pharmacy operator
Alliance Healthcare España S A	99 2	Spain	Spain	Pharmaceutical wholesaling and distribution
Alliance Healthcare Italia SpA	100	Italy	Italy	Pharmaceutical wholesaling and distribution
Alliance Healthcare B V	100	The Netherlands	The Netherlands	Pharmaceutical wholesaling and distribution
ZAO Apteka Holding	66	Russia	Russia	Pharmaceutical wholesaling and distribution
Alliance Healthcare s r o	97 1	Czech Republic	Czech Republic	Pharmaceutical wholesaling and distribution
Alliance Healthcare Norge A S	100	Norway	Norway	Pharmaceutical wholesaling and distribution

In addition to the holding in ZAO Apteka Holding above, Hedef Alliance Holding A S, an associate in which the Company has a 50% interest, has a direct interest of 30% in ZAO Apteka Holding.

As permitted by section 410 of the Companies Act 2006, only principal undertakings are shown. A complete list of all subsidiary undertakings is filed with the Company's annual return.

The Company's principal associate and joint venture undertakings at the balance sheet date, all of which are indirectly held, are presented as follows

	Percentage interest in ordinary share capital held	Country of operation	Country of incorporation	Main activity
<b>Associates</b>				
Hedef Alliance Holding A S	50	Turkey	Turkey	Pharmaceutical wholesaling and distribution
Andreae Noris Zahn AG	29 99	Germany	Germany	Pharmaceutical wholesaling and distribution
Galenica Ltd <sup>1</sup>	25 5	Switzerland	Switzerland	Pharmaceutical manufacturing, wholesaling and retailing
Alliance Healthcare S A	49	Portugal	Portugal	Pharmaceutical wholesaling and distribution
<b>Joint venture</b>				
Guangzhou Pharmaceuticals Corporation	50	China	China	Pharmaceutical wholesaling and distribution

<sup>1</sup> All shares have the same voting rights, but no shareholder may exercise more than 20% of the votes.

# Alliance Boots Holdings 1 Limited (formerly Alliance UniChem Limited)

## Notes to the financial statements (continued)

for the year ended 31 March 2010

### 9 Debtors

	2010 £million	2009 £million
Amounts owed by group undertakings	-	14 0
Other debtors and accrued income	13	0 1
Corporation tax recoverable	-	0 2
Derivative financial instruments	4 2	11 1
	5 5	25 4

### 10 Creditors amounts falling due within one year

	2010 £million	2009 £million
Other creditors including taxes and social security	3 8	3 0

### 11 Creditors amounts falling due after more than one year

	2010 £million	2009 £million
Derivative financial instruments	51 2	52 5

### 12 Provisions for liabilities

Deferred tax relates to tax on the fair values of derivative financial instruments

#### Deferred tax liability

	2010 £million	2009 £million
At 1 April	2 9	5 5
Profit and loss account credit	(0 5)	(2 6)
At 31 March	2 4	2 9

### 13 Called up share capital

	2010 £million	2009 £million
Authorised		
Ordinary shares of 10p each	43 3	43 3
Allotted, called up and fully paid		
Ordinary shares of 10p each	36 2	36 2

### 14 Reconciliation of movements in equity shareholders' funds

	Called up share capital £million	Share premium account £million	Profit and loss account £million	Total £million
At 1 April 2008	36 2	509 4	68 7	614 3
Profit for the financial year	-	-	199 3	199 3
Equity dividends paid	-	-	(261 0)	(261 0)
At 1 April 2009	36 2	509 4	7 0	552 6
Profit for the financial year	-	-	198 9	198 9
Equity dividends paid	-	-	(200 0)	(200 0)
At 31 March 2010	36 2	509 4	5 9	551 5

## **Alliance Boots Holdings 1 Limited (formerly Alliance UniChem Limited)**

### **Notes to the financial statements (continued)**

for the year ended 31 March 2010

#### **15 Contingent liabilities**

The Company has entered into an arrangement with its bank under which its current account balances are netted on a daily basis with those of the other participating group companies for the purpose of charging or crediting interest. Under this arrangement, each participating company agrees that it is jointly and severally liable to the bank, with each other participating company, for the aggregate overdraft balances on current accounts of all participating companies. Each of the participating Company's liability is limited to the amount of any positive cash balance it has in its current accounts with the bank on the day netting takes place. At 31 March 2010, the Company was contingently liable under this arrangement for a total amount of £0.1 million (2009: £0.2 million).

On 21 December 2007 the Company became a Guarantor under both a £8,270 million multi-currency Senior Facilities Agreement and a £750 million multi-currency Subordinated Facility Agreement (together the Agreements) between, amongst others, AB Acquisitions Limited (a fellow subsidiary undertaking within the Alliance Boots Group) as a Borrower and Deutsche Bank AG as the Facility Agent for the Lenders. As a Guarantor under the Agreements the Company has guaranteed the liabilities of fellow subsidiary undertakings within the Group under the Agreements.

As at 31 March 2010 the gross borrowings outstanding under the Agreements in aggregate (including the impact of currency translation and capitalised interest) were £8,850 million (2009: £8,876 million).

#### **16 Ultimate parent undertaking**

At 31 March 2010 the Company's immediate parent company was Alliance Boots Holdings Limited and its ultimate parent company and controlling party was AB Acquisitions Holdings Limited. AB Acquisitions Holdings Limited is also the parent undertaking of the largest group in which the Company is consolidated.

AB Acquisitions Holdings Limited is incorporated in Gibraltar, and its registered office is 57/63 Line Wall Road, Gibraltar. AB Acquisitions Holdings Limited is jointly controlled by Alliance Santé Participations S.A., and certain funds advised by Kohlberg Kravis Roberts & Co. L.P., S. Pessina, and O. Barra, who are directors of Alliance Boots GmbH, are also directors of Alliance Santé Participations S.A., which is ultimately owned by a family trust.

The smallest group in which the results of the Company are consolidated is that headed by Alliance Boots GmbH, a company incorporated in Switzerland. The consolidated financial statements of this group are available from the Alliance Boots website at [www.allianceboots.com](http://www.allianceboots.com).