



THE BOOTS COMPANY

Registration  
Number  
496652

G B BRITTON & SONS (HOLDINGS) LIMITED

DIRECTORS' REPORT

and

FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 1998



**Registration**  
**No: 496652**

**G B BRITTON & SONS (HOLDINGS) LIMITED**

**Directors' Report**

Year ended 31st March 1998

---

**Directors**

D A R Thompson  
D A Rollason

**Secretary**

S Fennell

**Registered Office**

1 Thane Road West  
Nottingham, NG2 3AA

---

The directors present their annual report together with the audited financial statements for the year ended 31st March 1998.

**Activities**

The company is a non-trading holding company.

**Results, retentions and dividends**

The results and retentions for the year are shown in the profit and loss account on page 3. No dividend is proposed (1997 : £Nil).

**Fixed assets**

Details of fixed asset investments are detailed in note 2 on pages 6 and 7.


**Directors**

The details of directors in office on 31st March 1998 are shown above. There have been no changes to the board of directors during the year and up to the date of signing the financial statements.

**Remuneration of directors and directors' shareholdings**

Details of the remuneration and shareholdings of the directors are included in notes 7 and 8 on pages 8 and 9.

By order of the board



S Fennell  
**Secretary**

17.7.98

Date

**G B BRITTON & SONS (HOLDINGS) LIMITED**  
**Directors' responsibilities and Auditors' report**  
Year ended 31st March 1998

**Directors' responsibilities statement**

---

The directors are required by the Companies Act 1985 to prepare financial statements which give a true and fair view of the result for the financial year and of the state of affairs of the company at the end of that period. The directors are of the opinion that suitable accounting policies have been used and applied consistently, applicable accounting standards have been followed, and reasonable and prudent judgements and estimates have been made. The financial statements have been prepared on a going concern basis. The directors have a responsibility to ensure that the company has suitable internal controls for maintaining adequate accounting records, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

**Auditors' report**

---

Report of the Auditors to the members of G B Britton & Sons (Holdings) Limited.

We have audited the financial statements on pages 3 to 10.

**Respective responsibilities of directors and auditors**

As described above, the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

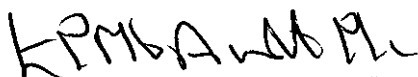
**Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

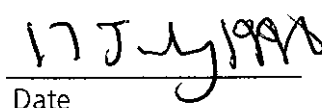
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the company's state of affairs as at 31st March 1998 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**KPMG Audit Plc**  
Chartered Accountants  
Registered Auditor  
Birmingham

  
Date

**G B BRITTON & SONS (HOLDINGS) LIMITED**

**Profit and Loss Account**

Year ended 31st March 1998

	1998 £	1997 £
Provisions against amounts owed by group undertakings	<b>(10,871,825)</b>	-
<b>Loss on ordinary activities after taxation and loss for the financial year</b>	<b><u>(10,871,825)</u></b>	<b><u>-</u></b>

The results for both periods are wholly attributable to the continuing operations of the company and there have been no recognised gains or losses other than the loss for the financial year as stated above.

**G B BRITTON & SONS (HOLDINGS) LIMITED**  
**Reconciliation of Movements in Shareholders' Funds**  
Year ended 31st March 1998

	1998 £	1997 £
Loss for the financial year	(10,871,825)	-
<b>Net decrease in shareholders' funds</b>	<b>(10,871,825)</b>	<b>-</b>
Opening shareholders' funds	5,130,062	5,130,062
<b>Closing shareholders' funds</b>	<b><u>(5,741,763)</u></b>	<b><u>5,130,062</u></b>

# G B BRITTON & SONS (HOLDINGS) LIMITED

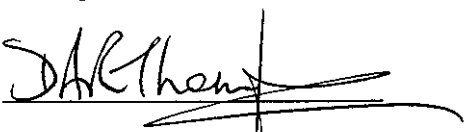
## Balance Sheet

As at 31st March 1998

	Notes	1998 £	1997 £
<b>Fixed assets</b>			
Investments	2	<u>33,979,728</u>	<u>8,165,801</u>
<b>Current assets</b>			
Debtors falling due after more than one year	3	<u>4,968,929</u>	<u>6,352,994</u>
<b>Net current assets</b>		<u>4,968,929</u>	<u>6,352,994</u>
<b>Total assets less current liabilities</b>		<u>38,948,657</u>	<u>14,518,795</u>
Creditors: Amounts falling due after more than one year	4	<u>(44,690,420)</u>	<u>(9,388,733)</u>
<b>Net assets</b>		<u>(5,741,763)</u>	<u>5,130,062</u>
<b>Capital and reserves</b>			
Called up share capital	5	2,208,402	2,208,402
Capital redemption reserve	6	60,000	60,000
Capital reserve	6	887,193	887,193
Profit and loss account	6	(8,897,358)	1,974,467
<b>Equity shareholders' funds</b>		<u>(5,741,763)</u>	<u>5,130,062</u>

The financial statements were approved by the Board of Directors on  
and signed on its behalf by:

17 JUL 1998

\*  \*

Director  
D A R Thompson

# G B BRITTON & SONS (HOLDINGS) LIMITED

## Notes to the Financial Statements

Year ended 31st March 1998

### 1. Accounting policies

The following accounting policies have been used in dealing with items which are considered material to the financial statements.

#### Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

A cash flow statement has not been presented in the financial statements of the company as permitted by paragraph 5a of the revised Financial Reporting Standard 1.

#### Group financial statements

The company is exempt under section 228 of the Companies Act 1985 from the obligation to prepare group financial statements and to deliver them to the registrar of companies. The company's financial statements are consolidated in the financial statements of the ultimate holding company.

### 2. Fixed asset investments

	Shares in subsidiary undertakings £
<b>Cost</b>	
At 1st April 1997	8,165,801
Additions	25,813,929
Disposals	(2)
<b>At 31st March 1998</b>	<b>33,979,728</b>
<b>Provision</b>	
At 1st April 1997 and at 31st March 1998	-
Net book value at 1st April 1997	8,165,801
<b>Net book value at 31st March 1998</b>	<b>33,979,728</b>

**G B BRITTON & SONS (HOLDINGS) LIMITED**

**Notes to the Financial Statements**

Year ended 31st March 1998

**2. Fixed asset investments (continued)**

The subsidiary undertakings, all of which are wholly owned and are incorporated in Great Britain and registered in England and Wales, are as follows:

<u>Subsidiary undertakings</u>	<u>Principal activities</u>
Personality Car Limited *	Dormant
Paul Madeley (Holdings) Limited	Dormant
Ward White Finance Company Limited	Dormant
Ward White Pension Scheme Trustees Limited	Dormant
LCP Executive Pensions Limited	Dormant
LCP Group Pensions Limited	Dormant
LCP Works Pension Limited	Dormant
Lowpine Developments Limited **	Dormant
Rushborough Investments Limited **	Dormant
E F Smith (Birmingham) Limited **	Dormant
Hostens Limited **	Dormant

\* Liquidated during the year

\*\* Additions during the year

<b>3. Debtors falling due after more than one year</b>	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
Amounts owed by group undertakings	<b><u>4,968,929</u></b>	<b><u>6,352,996</u></b>
<b>4. Creditors: Amounts falling due after more than one year</b>	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
Amounts due to group undertakings	<b><u>44,690,420</u></b>	<b><u>9,388,735</u></b>



**G B BRITTON & SONS (HOLDINGS) LIMITED**

**Notes to the Financial Statements**

Year ended 31st March 1998

<b>5. Called up share capital</b>	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>

Authorised:

12,240,000 ordinary shares of 25p each	<b>3,060,000</b>	3,060,000
--	------------------	-----------

Allotted, called up and fully paid:

8,833,608 ordinary shares of 25p each	<b>2,208,402</b>	2,208,402
---------------------------------------	------------------	-----------

<b>6. Capital and reserves</b>	<b>Called up share capital £</b>	<b>Capital redemption reserve £</b>	<b>Capital reserve £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
At 1st April 1997	2,208,402	60,000	887,193	1,974,467	5,130,062
Loss retained	-	-	-	(10,871,825)	(10,871,825)
<b>At 31st March 1998</b>	<b>2,208,402</b>	<b>60,000</b>	<b>887,193</b>	<b>(8,897,358)</b>	<b>(5,741,763)</b>

**7. Directors' remuneration**

No director has received any remuneration for his services to the company during the year (1997: £nil).

# G B BRITTON & SONS (HOLDINGS) LIMITED

## Notes to the Financial Statements

Year ended 31st March 1998

### 8. Directors' shareholdings and share options

The beneficial interests in the share capital of the ultimate holding company at 31st March 1998 of the director who is not a director of the ultimate holding company, and his family, are shown below. No director holds any loan capital in the ultimate holding company.

Ordinary shares under executive and SAYE options									
Ordinary shares	Ordinary shares	Ordinary	Average			Market		Ordinary	
		shares under	exercise	Exercised		price at	Granted	shares under	
		options	price	during	Exercise	date of	during	options	
1998	1997	1998	1998	the year	price	exercise	the year	1997	
D A Rollason	3,404	5,157	50,091	509p	939	386p	893p	1,760	49,270

The market price of the ultimate holding company's shares at 31st March 1998 was 957p. The range of market prices during the year was 676p to 963p. No options lapsed during the year and no new ones were granted. Prices shown for options exercised during the year represent the weighted average of prices. The average exercise price for 1998 represents the weighted average price for options outstanding at 31st March 1998.

Under a savings related scheme options may be granted to qualifying employees to subscribe for ordinary shares at approximately 80% of market price.

In previous years certain directors were granted options to subscribe for ordinary shares in The Boots Company PLC under an executive share option scheme. Such options are exercisable up to June 2004 at option prices ranging from 399p to 531p.

The table below shows the number of shares in The Boots Company PLC (the ultimate holding company) over which certain directors have been granted conditional rights under the Long Term Bonus Scheme operated by The Boots Company PLC. At the end of a four year performance cycle, half the bonus earned is paid in cash and half is converted into an equivalent number of shares. The individual will normally become entitled to receive those shares only after remaining employed for a further three years.

Conditional entitlement award under the Long Term Bonus Scheme					
31st March 1998	Exercised during the period	Lapsed during the period	Granted during the period	31st March 1997	
D A Rollason	3,395	-	-	3,395	-

As a beneficiary of The Boots ESOP Trust, each participant in the scheme is deemed technically to be interested in 520,593 ordinary shares held by Morgan Grenfell Nominees (Jersey) Limited on behalf of the Trust.

**G B BRITTON & SONS (HOLDINGS) LIMITED**

**Notes to the Financial Statements**

Year ended 31st March 1998

---

**9. Ultimate holding company**

---

The company's immediate and ultimate holding company (which is also the ultimate controlling party) is The Boots Company PLC, a company incorporated in Great Britain and registered in England and Wales. The results of the company are included in the group financial statements of The Boots Company PLC.

Copies of the group financial statements may be obtained from 1 Thane Road West, Nottingham, NG2 3AA.

The company is exempt from disclosing transactions with other group undertakings and investees of the group qualifying as related parties as permitted by paragraph 3 of Financial Reporting Standard 8.