

**Registration
Number
00577146**

JOHN FROST LIMITED
DIRECTORS' REPORT
and
FINANCIAL STATEMENTS
YEAR ENDED 31st MARCH 2008

WEDNESDAY



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COMPANIES HOUSE

Registration
No: 00577146

JOHN FROST LIMITED
Board of Directors
Year ended 31st March 2008

Directors

P Patel
P Fussey

Secretary

D Foster (appointed 5th April 2007)
S Fennell (resigned 5th April 2007)

Registered Office

1 Thane Road West
Nottingham, NG2 3AA

JOHN FROST LIMITED
Directors' Report
Year ended 31st March 2008

The directors present their annual report together with the audited financial statements for the year ended 31st March 2008.

Principal activities and review of the business

The company has not traded during the year. The operating loss for the year relates to the write-off of amounts due from group undertakings.

Loss and dividends

Details of the loss for the year are shown in the profit and loss account on page 6. The directors do not recommend payment of a dividend for the year (2007: £Nil).

Directors

The details of directors in office on 31st March 2008 are shown on page 1. There have been no changes to the board of directors during the year and up to the date of signing the financial statements.

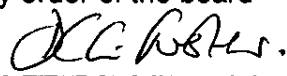
Directors' remuneration

Details of directors' remuneration are contained within note 8 on page 11.

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 he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



D Foster
Secretary

5th December 2008
Date

JOHN FROST LIMITED
Directors' Responsibilities Statement
Year ended 31st March 2008

Statement of Directors' responsibilities in respect of the Directors' Report and the financial statements

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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to 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 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. 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.

Independent Auditors' Report

Year ended 31st March 2008

Independent Auditors' Report to the members of John Frost Limited

We have audited the financial statements of John Frost Limited for the year ended 31st March 2008, which comprise the Profit and Loss Account, the Reconciliation of Movements in Shareholder's Funds, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

Independent Auditors' Report

Year ended 31st March 2008

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31st March 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG Audit Plc

KPMG Audit Plc

Chartered Accountants

Registered Auditor

Birmingham

5 December 2008

Date

JOHN FROST LIMITED
Profit and Loss Account
Year ended 31st March 2008

	Notes	2008 £	2007 £
Administrative expenses	2	(460,973)	(20,664)
Operating loss and loss on ordinary activities before interest		(460,973)	(20,664)
Interest receivable	3	15,758	15,989
Loss on ordinary activities before taxation		(445,215)	(4,675)
Tax (charge)/credit on loss on ordinary activities	4	(6,200)	403
Loss for the financial year	7	(451,415)	(4,272)

The result for both years is wholly attributable to the continuing operations of the company and there is no material difference between the loss as stated above and the loss stated on an unmodified historical cost basis.

There are no recognised gains and losses for the current financial year and preceding financial period other than the loss shown above, and therefore no separate statement of recognised gains and losses has been presented.

JOHN FROST LIMITED
Reconciliation of Movements in Shareholder's Funds
Year ended 31st March 2008

	2008 £	2007 £
Loss for the financial year attributable to shareholders	(451,415)	(4,272)
Net decrease in shareholder's funds	(451,415)	(4,272)
Opening shareholder's funds	451,415	455,687
Closing shareholder's funds	-	451,415

JOHN FROST LIMITED**Balance Sheet**

As at 31st March 2008

	Notes	2008 £	2007 £
Current assets			
Debtors falling due within one year	5	-	451,415
Net assets		<u>-</u>	<u>451,415</u>
Capital and reserves			
Called up share capital	6,7	100,000	100,000
Capital redemption reserve	7	40,555	40,555
Profit and loss account	7	(140,555)	310,860
Shareholder's funds		<u>-</u>	<u>451,415</u>

These financial statements were approved by the Board of Directors on 5th December 2008

and are signed on its behalf by:



P Fussey
Director

JOHN FROST LIMITED
Notes to the Financial Statements
Year ended 31st March 2008

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice and under the historical cost accounting rules.

Under FRS 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that Alliance Boots GmbH, a higher parent undertaking, includes the company's cash flows in its own published consolidated financial statements.

Deferred taxation

Deferred tax is provided in respect of all timing differences that have originated, but not reversed, by the balance sheet date. Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws substantively enacted at the balance sheet date. This is in accordance with FRS19.

No provision is made for any potential liability to corporation tax on capital gains arising on disposals of assets where any liability is expected to be deferred indefinitely.

2. Operating costs	2008 £	2007 £
Administrative expenses	<u>460,973</u>	<u>20,664</u>
Operating loss on page 6 is after charging:		
Operating exceptionals:		
Write off of amounts due from group undertakings	<u>460,973</u>	<u>-</u>

The company has no employees in either year apart from the directors.

The audit fee was borne by a fellow group undertaking.

3. Interest receivable	2008 £	2007 £
Interest receivable and similar income:		
From group undertakings	<u>15,758</u>	<u>15,989</u>

JOHN FROST LIMITED
Notes to the Financial Statements
Year ended 31st March 2008

4. Tax on loss on ordinary activities	2008 £	2007 £
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The tax charge/(credit) on the loss for the period consists of:

Current taxation

Current period	-	(1,403)
Adjustment in respect of prior years	6,200	-
Total current tax	6,200	(1,403)
Deferred tax adjustments in respect of prior years	-	1,000
Tax charge/(credit) on loss on ordinary activities	6,200	(403)

Reconciliation of current tax charge/(credit)

The UK standard rate of corporation tax charge for the period is 30% (2007: 30%). The actual tax charge for the current year is above (prior period equals) the standard rate for the reasons set out in the following reconciliation:

	2008 £	2007 £
Loss on ordinary activities before tax	(445,215)	(4,675)
UK standard rate of corporation tax at 30% (2007: 30%)	(133,565)	(1,403)
Factors affecting charge for the year:		
Net non-deductible expenses	133,565	-
Prior year adjustments	6,200	-
Total current tax charge/(credit) for the year	6,200	(1,403)

5. Debtors	2008 £	2007 £
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Amounts falling due within one year:

Amounts owed by group undertakings	-	451,415
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JOHN FROST LIMITED
Notes to the Financial Statements
Year ended 31st March 2008

6. Called up share capital	2008	2007
	£	£

Authorised, allotted, called up and fully paid:
100,000 ordinary shares of £1 each

	100,000	100,000
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7. Share capital and reserves	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1st April 2007	100,000	40,555	310,860	451,415
Loss for the year	-	-	(451,415)	(451,415)
At 31st March 2008	100,000	40,555	(140,555)	-

8. Directors' remuneration

No director has received or waived any remuneration for his services to the company during the year (2007: £Nil).

9. Ultimate holding company

At 31 March 2008 the company's immediate parent company was AB Dormants 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 certain funds advised by Kohlberg Kravis Roberts & Co. L.P. and Alliance Santé Participations S.A., a company indirectly wholly owned by S. Pessina.

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.

As a wholly owned subsidiary of Alliance Boots GmbH, 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.