



THE BOOTS COMPANY

Registration
Number
905237

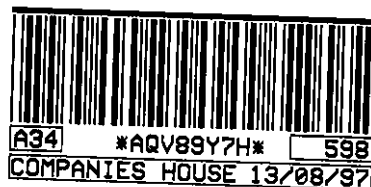
NUROFEN LIMITED

DIRECTORS' REPORT

and

FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 1997



Registration**No: 905237****NUROFEN LIMITED****Directors' Report**

Year ended 31st March 1997

DirectorsP J Baguley
A C Edwards
P J Evans
M F Ruddell**Secretary**

S Fennell

Registered Office1, Thane Road West,
Nottingham NG2 3AA

The directors present their annual report together with the audited financial statements for the year ended 31st March 1997.

Principal activities and review of business

There has been no business activity within this company in the financial year under review.

Profit, dividends and retentions

Details of profit for the period are shown in the profit and loss account on page 4. The directors do not recommend the payment of a final dividend (1996 : £52.5m).

Directors

The details of directors in office on 31st March 1997 are shown above. There have been the following changes to the board of directors during the year and up to the date of signing the financial statements.

<u>Appointment</u>	<u>Date</u>
P J Baguley	12th July 1996
A C Edwards	12th July 1996
P J Evans	12th July 1996
M F Ruddell	12th July 1996

<u>Resignation</u>	<u>Date</u>
B Clare	22nd July 1996
P Davey	22nd July 1996
D A Stead	22nd July 1996

Remuneration of directors and directors' shareholding


Details of the remuneration and shareholdings of the directors are included in notes 10 and 11 on page 10.

NUROFEN LIMITED
Directors' Report
Year ended 31st March 1997

Auditors

On 8th January 1997 KPMG resigned as auditors of the company. In accordance with section 394 Companies Act 1985, KPMG submitted a statement that there were no circumstances connected with their ceasing to hold office that they considered should be brought to the attention of the members or creditors of the company. KPMG Audit Plc were appointed as auditors with effect from 20th January 1997.

By order of the board


S Fennell
Secretary

8/7/97
Date

NUROFEN LIMITED
Year ended 31st March 1997

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 profit or loss 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 have 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 Nurofen Limited.

We have audited the financial statements on pages 4 to 11.

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 1997 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
Birmingham

18 July 1997
Date

NUROFEN LIMITED
Profit and Loss Account
Year ended 31st March 1997

	Notes	1997 £000s	1996 £000s
Turnover	1	-	132
			132
Cost of sales		-	(92)
Gross profit		-	40
Operating costs	2	-	(1)
Operating profit and profit on ordinary activities before taxation	2	-	39
Tax on profit on ordinary activities	3	-	125
Profit on ordinary activities after taxation and profit for the financial year		-	164
Dividends	4	-	(52,500)
Loss retained		-	(52,336)

There have been no recognised gains or losses other than the profit/(loss) for the financial period as stated above.

NUROFEN LIMITED
Other Statements
Year ended 31st March 1997

Reconciliation of movements in shareholders funds	1997 £000s	1996 £000s
Profit for the financial year	-	164
Dividends	-	(52,500)
Net increase/(decrease) in shareholders' funds	-	(52,336)
Opening shareholders' funds	400	52,736
Closing shareholders' funds	400	400

NUROFEN LIMITED

Balance Sheet

31st March 1997

	Notes	1997 £000s	1996 £000s
Current assets			
Debtors falling due after more than one year	5	75,259	75,700
		75,259	75,700
Creditors: Amounts falling due within one year	6	-	(441)
Net current assets		75,259	75,259
Total assets less current liabilities		75,259	75,259
Creditors: Amounts falling due after more than one year	7	(74,859)	(74,859)
Net assets		400	400
Capital and reserves			
Called up share capital	8	-	-
Profit and loss account	9	400	400
Equity shareholders' funds		400	400

The financial statements were approved by the Board of Directors on 8 July 1997
and signed on its behalf by: P. J. EVANS

P. J. EVANS

Director

NUROFEN LIMITED
(FORMERLY FARLEY HEALTH PRODUCTS LIMITED)

Notes to the Financial Statements

Year ended 31st March 1997

1. Accounting policies

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

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards and under alternative accounting rules set out in Schedule 4 of the Companies Act 1985, being prepared under the historical cost convention.

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.

Deferred taxation

A deferred tax provision is made only where the effects of timing differences between profits as stated in the financial statements and as computed for tax purposes are likely to reverse in the foreseeable future.

Turnover

Turnover comprises sales of consumer products to external customers and other group companies excluding sales taxes.

2. Operating costs

	1997 £000s	1996 £000s
Selling and distribution costs	-	1
	<hr/>	<hr/>
Operating profit shown on page 4 is after charging:		
Remuneration of auditors: audit fees	-	1
	<hr/>	<hr/>

NUROFEN LIMITED
(FORMERLY FARLEY HEALTH PRODUCTS LIMITED)
Notes to the Financial Statements
 Year ended 31st March 1997

3.	Tax on profit on ordinary activities	1997 £000s	1996 £000s
	The charge on the profit for the year consists of:		
	UK corporation tax	-	13
	Adjustment in respect of prior years	-	(138)
		<u>-</u>	<u>(125)</u>
4.	Dividends	1997 £000s	1996 £000s
	Interim dividend	<u>-</u>	<u>52,500</u>
5.	Debtors	1997 £000s	1996 £000s
	Falling due after more than one year:		
	Owed by parent and fellow subsidiary undertakings	75,259	75,700
		<u>75,259</u>	<u>75,700</u>
6.	Creditors: Amounts falling due within one year	1997 £000s	1996 £000s
	Due to parent and fellow subsidiary undertakings	-	427
	Corporation tax	-	13
	Accruals	-	1
		<u>-</u>	<u>441</u>

NUROFEN LIMITED
Notes to the Financial Statements
Year ended 31st March 1997

7. Creditors: Amounts falling due after more than one year	1997 £000s	1996 £000s
Due to parent and fellow subsidiary undertakings	<u>74,859</u>	<u>74,859</u>

The amounts due to parent undertakings are not interest bearing and no specific repayment terms exist.

8. Called up share capital	Number of shares 1997	1997 £	Number of shares 1996	1996 £
Ordinary shares of £1 each:				
Authorised, allotted, called up and fully paid	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

9. Reserves	Profit and loss account £000s
At 1st April 1996 and at 31st March 1997	<u>400</u>

NUROFEN LIMITED
Notes to the Financial Statements
Year ended 31st March 1997

10. Directors' remuneration

The directors, who are the only employees of the company, did not receive any remuneration for services to the company during the year (1996: £Nil).

11. Directors' shareholdings and share options

The beneficial interests of the directors, who are not directors of the ultimate holding company, and their families in the share capital of the ultimate holding company at 31st March 1997 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 shares under options	Average exercise price	Exercised during the year	Exercise price	Market price at date of exercise	Granted during the year	Ordinary shares under options	
1997	1996	1997	1997	1997	1997	1997	1997	1996	
P J Baguley	2,516	-	23,567	529p	7,500	425p	680p	1,067	30,000
A C Edwards	5,000	-	49,746	350p	-	-	-	-	49,746
P J Evans	4,547	2,078	57,522	461p	2,492	202p	632p	804	59,210

The market price of the ultimate holding company's shares at 31st March 1997 was 675p. The range of market prices during the year was 555p to 701p. No options lapsed during the year. Prices shown for options exercised during the year represent the weighted average of prices. The average exercise price for 1997 represents the weighted average price for options outstanding at 31st March 1997.

Under a savings related scheme options may be granted to qualifying employees to subscribe for ordinary share 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 and such options are exercisable as follows:

<u>Option price</u>	<u>Exercisable</u>
339p	To December 2000
399p	To July 2001
437p	To August 2002
438p	to June 2003
531p	To June 2004

The granting of such executive options ceased before 31st March 1995.

NUROFEN LIMITED
Notes to the Financial Statements
Year ended 31st March 1997

12. Ultimate holding company

The company's immediate holding company (which is also the immediate controlling party) is Boots Properties PLC and its ultimate holding company (which is also the ultimate controlling party) is The Boots Company PLC, both companies being 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 the Financial Reporting Standard 8.