

Company registration number: 1961766

**Alliance UniChem PWS JV Limited**  
**Strategic report, Directors' report and financial statements**  
for the year ended 31 March 2014



## **Contents**

<b>Strategic report</b>	<b>1</b>
<b>Directors' report</b>	<b>2</b>
<b>Statement of Directors' responsibilities in respect of the Strategic report, Director's report and the financial statements</b>	<b>3</b>
<b>Independent auditors' report</b>	<b>4</b>
<b>Profit and loss account</b>	<b>5</b>
<b>Balance sheet</b>	<b>6</b>
<b>Notes to the financial statements</b>	<b>7</b>

# Alliance UniChem PWS JV Limited

## Strategic report

for the year ended 31 March 2014

### Principal activities

The Company is a holding company within the Alliance Boots GmbH Group ("Group").

### Business review

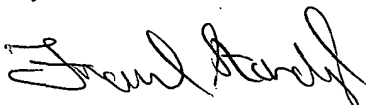
The Company's retained profit for the financial year was £8,770,000 (2013: £4,512,000).

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

### 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.

By order of the Board:



**F Standish**

Secretary

27 June 2014

Registered office:

2 The Heights  
Brooklands  
Weybridge  
Surrey  
KT13 0NY

Registered in England and Wales No. 1961766

# Alliance UniChem PWS JV Limited

## Directors' report

for the year ended 31 March 2014

The Directors present their report and the audited financial statements for the year ended 31 March 2014.

### 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 Report, which does not form part of this report.

### Dividends

There was £nil interim dividends declared or paid in the year (2013: £13,000,000)

### Post balance sheet events

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

### Directors

The following served as Directors during the year:

J Kallend

S Roberts (resigned 16 December 2013)

J Guerra

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

### Auditors

KPMG LLP resigned as auditor of the Company on 8 April 2014 pursuant to section 516 of the Companies Act 2006. On 9 April 2014 KPMG LLP were appointed as auditor of the Company.

### Disclosure of information to the 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:



F Standish

Secretary

27 June 2014

Registered office:

2 The Heights

Brooklands

Weybridge

Surrey

KT13 0NY

Registered in England and Wales No. 1961766

## **Alliance UniChem PWS JV Limited**

### **Statement of Directors' responsibilities in respect of the Strategic report, Directors' report and the financial statements** for the year ended 31 March 2014

The Directors are responsible for preparing the Strategic report, 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).

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 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 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 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 auditor's report**

to the members of Alliance UniChem PWS JV Limited

We have audited the financial statements of Alliance UniChem PWS JV Limited for the year ended 31 March 2014 set out on pages 5 to 11. 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, and express an opinion on, 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 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/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **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 2014 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.

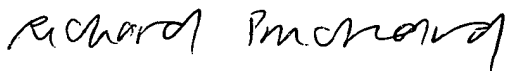
### **Opinion on other matter prescribed by the Companies Act 2006**

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.



**Richard Pinckard (Senior Statutory Auditors)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
Chartered Accountants  
15 Canada Square  
Canary Wharf  
London, E14 5GL  
27 June 2014

## Alliance UniChem PWS JV Limited

### Profit and loss account

for the year ended 31 March 2014

	Notes	2014 £000	2013 £000
<b>Operating result</b>	<b>2</b>	<b>-</b>	<b>-</b>
Income from shares in Group undertakings	3	8,750	4,500
Interest receivable and similar income	4	26	16
<b>Profit on ordinary activities before taxation</b>		<b>8,776</b>	<b>4,516</b>
Tax on profit on ordinary activities	5	(6)	(4)
<b>Profit for the financial year</b>		<b>8,770</b>	<b>4,512</b>

There were no recognised gains and losses for the current and preceding financial years other than the profit of £8,770,000 (2013: £4,512,000) 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 11 form part of the Company's financial statements.

## Alliance UniChem PWS JV Limited

### Balance sheet

as at 31 March 2014

	Notes	2014 £000	2013 £000
<b>Fixed assets</b>			
Investments	7	343	343
<b>Current assets</b>			
Debtors	8	11,494	2,724
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	9	(2)	(2)
<b>Net current assets</b>		<b>11,492</b>	<b>2,722</b>
<b>Net assets</b>		<b>11,835</b>	<b>3,065</b>
<b>Capital and reserves</b>			
Called up share capital	10, 11	10	10
Share premium account	11	333	333
Profit and loss account	11	11,492	2,722
<b>Shareholders' funds</b>		<b>11,835</b>	<b>3,065</b>

The notes on pages 7 to 11 form part of the Company's financial statements.

These financial statements were approved by the Board on 27 June 2014 and were signed on its behalf by:



J. Guerra

Director

Company registered number 1961766.



# Alliance UniChem PWS JV Limited

## Notes to the financial statements

for the year ended 31 March 2014

### 1. Accounting policies

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

#### Basis of preparation

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

Alliance Boots GmbH ("the Group"), the intermediate parent entity, 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 Group and, consequently, the Company is exempt under FRS 8, 'Related party Disclosures', from disclosing transactions with entities that are part of the Group or investees of the 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.

The Company has net assets and generates positive cash flows and expects this to continue in future periods. Based on these facts the Company's Directors have assessed that there is no material uncertainty surrounding the going concern of the entity. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### Turnover

Turnover shown on the face of the profit and loss account is the amount derived from the sale of goods in the normal course of business, net of trade discounts, value added tax and other sales-related taxes. Turnover from the sale of goods is recognised at the point contractual obligations to a customer have been fulfilled. For the sale of goods, turnover is recognised when legal title transfers to a customer. Where services provided to a customer relate to partial performance against contractual obligations, turnover is recognised to the extent that a right to consideration has been obtained through performance to date.

#### 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.

#### 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. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there is separately identifiable income, referred to as income generating units ("IGUs").

The recoverable amounts of the IGUs are determined from value-in-use calculations which use discounted pre tax cash flows for a period of five years taken from approved budgets and three year forecasts, and extrapolated cash flows for the periods beyond these using estimated long term growth rates. The key assumptions are:

- **Long term average growth rates** are used to extrapolate cash flows. These are determined with reference to both internal approved budgets and forecasts and available external long term growth data for both the country and sector of each IGU.
- **Discount rates** are calculated separately for each IGU and reflect the individual nature and specific risks relating to the market in which it operates.
- **Gross margins** are based on past performance and management's expectations of market development. No improvements to margins beyond periods covered by approved budgets and forecasts have been assumed.

#### 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.

**Alliance UniChem PWS JV Limited**  
**Notes to the financial statements (continued)**  
for the year ended 31 March 2014

**1. Accounting policies (continued)**

**Cash at bank and in hand**

Cash at bank and in hand comprises cash in hand and short term deposits with maturities of three months or less from the date of acquisition. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

**Share Capital**

*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 as a liability 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 dividends payable on financial instruments classified as financial liabilities, for example on preference shares, are recorded as part of interest payable and similar charges and are recognised on an accruals basis.

**Loans**

Loans are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, loans 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 loans on an effective interest basis.

**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.

# Alliance UniChem PWS JV Limited

## Notes to the financial statements (continued)

for the year ended 31 March 2014

### 2. Profit from operations

#### Auditor's remuneration

The 2014 fee for the audit of these financial statements was borne by a fellow group undertaking. The amount allocated that would have been incurred is £1,000 (2013: £1,000).

#### Staff numbers and costs

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 (2013: nil).

### 3. Income from shares in Group undertakings

	2014 £000	2013 £000
Dividends received from Unidrug Distribution Group Limited	8,750	4,500

### 4. Interest receivable and similar income

	2014 £000	2013 £000
Interest receivable from group undertakings	26	16

### 5. Tax on profit on ordinary activities

An analysis of the tax charge for the year is presented as follows:

	2014 £000	2013 £000
<b>Current tax</b>		
<i>United Kingdom ('UK') corporation tax</i>		
Corporation tax on income for the year at 23% (2013: 24%)	(6)	(4)
<b>Tax on profit on ordinary activities</b>	<b>(6)</b>	<b>(4)</b>

The current tax charge for the financial year is lower than (2013: lower) than the standard rate of corporation tax of 23% (2013: 24%). The differences are explained below:

	2014 £000	2013 £000
Profit on ordinary activities before tax	8,776	4,516
Current tax at 23% (2013: 24%)	(2,018)	(1,084)
Effects of:		
Non-taxable dividends received from UK companies	2,012	1,080
<b>Total current tax charge</b>	<b>(6)</b>	<b>(4)</b>

#### Factors that may affect future current and total tax charges

During the year to 31 March 2014, the UK Government substantively enacted a reduction in the corporation tax rate to 21%, effective from 1 April 2014 and to 20% from 1 April 2015. This will reduce the Company's future current tax charge accordingly.

# Alliance UniChem PWS JV Limited

## Notes to the financial statements (continued)

for the year ended 31 March 2014

### 6. Dividends

The Company's paid dividends are presented as follows:

	2014 £000	2013 £000
Dividends paid in the year		
Interim dividends paid	-	13,000

### 7. Fixed asset investments

	Shares in joint venture undertakings £000
Cost	
At 1 April 2013 and 31 March 2014	343

Investments represent a 50% holding in Unidrug Distribution Group Limited, a pre-wholesaler of pharmaceutical goods which is incorporated in England and Wales.

### 8. Debtors

	2014 £000	2013 £000
Amounts owed by group companies	11,494	2,724
	11,494	2,724

### 9. Creditors: amounts falling due within one year

	2014 £000	2013 £000
Corporation tax payable	2	2

### 10. Called up share capital

	2014 £000	2013 £000
Allotted, called up and fully paid		
10,100 Ordinary shares of £1 each	10	10

### 11. Reconciliation of movements in equity shareholders' funds

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total £000
At 1 April 2012	10	333	11,210	11,553
Profit for the financial year	-	-	4,512	4,512
Equity dividends paid	-	-	(13,000)	(13,000)
At 1 April 2013	10	333	2,722	3,065
Profit for the financial year	-	-	8,770	8,770
At 31 March 2014	10	333	11,492	11,835

## **Alliance UniChem PWS JV Limited**

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

for the year ended 31 March 2014

#### **12. Ultimate parent undertaking**

At 31 March 2014 the Company's immediate parent company was Alloga S.à r.l. 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).