

Company registration number: 3053290  
Charity registration number: 1046559



**Boots Benevolent Fund**  
**Strategic report, Trustees' report and financial statements**  
for the year ended 31 August 2016

**Boots Benevolent Fund**

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# Boots Benevolent Fund

## Strategic report

for the year ended 31 August 2016

The Trustees, in preparing this Strategic report, have complied with s414c of the Companies Act 2006.

The Trustees also confirm that the Trustees' report and the financial statements comply with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

In accordance with Section 60 of the Companies Act 2006, the Fund is exempt from the requirements of that Act to include "Limited" as part of its name.

The Trustees are also the directors of the Fund for the purposes of the Companies Act 2006. Throughout the financial statements, they will be referred to as Trustees.

### Principal Activities

The principal activity of Boots Benevolent Fund (the "Fund") is that of a charity. It provides financial assistance through the giving of grants and interest free loans to relieve financial hardship to qualifying employees, former employees and their dependents.

### Objectives and activities for the public benefit

The objects of the Fund are to relieve poverty among and provide assistance to employees and their dependents or immediate relatives of qualifying Boots companies within Walgreens Boots Alliance Inc. or persons or their dependents or immediate relatives who have at any time been employed by qualifying "Boots" companies.

### Public Benefit

The Trustees have complied with the duty in section 4 and 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission. The Trustees consider that the charitable purpose of Boots Benevolent Fund is the prevention or relief of poverty. This purpose is pursued through the provision of grants and loans to the benefit of the public.

In the context of the Fund the public is understood to include employees and their dependents or immediate relatives, or persons or their dependents or immediate relatives who have at any time been employed by qualifying "Boots" companies.

### Business Review

During the year, the Fund transitioned from previously extant United Kingdom generally accepted accounting practice (UK GAAP) to FRS 102 – *The Financial Reporting Standard Applicable in the UK and Republic of Ireland*. The Trustees were notified of and did not object to the use of this financial reporting standard. Details of the recognition or measurement differences arising on the adoption of FRS 102 are included in note 18 to these financial statements.

In addition, the Fund transitioned from the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 to the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) in accordance with UK GAAP and FRS 102 respectively.

During the prior period, the year end of the Fund was changed from 31 March to 31 August. As a result, the previous financial period results are for the 17 months ended 31 August 2015 and are not directly comparable with the results for the year ended 31 August 2016.

During the year, the Trustees made grants in line with its Giving Criteria as follows:

- To award grants to individuals in need;
- To provide loans without interest, to individuals in need;
- To provide grants to retired staff, dependants or immediate relatives who are experiencing financial hardship;
- To provide Tunstall community alarms to retired staff who are experiencing financial hardship.

Decision to award grants and interest free loans of up to £1,500 are made by the Fund Manager. Grants in excess of £1,500 require the approval of two trustees.

During the year 1 September 2015 to 31 August 2016, the Fund awarded the following to individuals:

- 103 miscellaneous grants amounting to £79,634;
- 8 fixed amount Christmas grants amounting to £1,880; and
- 43 miscellaneous interest free loans amounting to £37,688.

Income in the year was mainly from donations and this along with other fund-raising activities produced income of £253,108 in the period (17 months to 31 August 2015: £332,507).

Employees of Boots were encouraged to sign up for payroll giving, which raised £31,505 in the period (17 months to 31 August 2015: £30,977). This is included within income.

## **Boots Benevolent Fund**

### **Strategic report (continued)**

for the year ended 31 August 2016

#### **Principal Risks and Uncertainties**

The Trustees have reviewed the strategic, operational and business risks which the Fund faces, and have confirmed that there are sufficient controls to mitigate the significant risks. Periodic ongoing reviews of the Fund's risks and controls take place to ensure risks will be sufficiently controlled.

The Trustees consider that the principal risks and uncertainties that face Boots Benevolent Fund during the year included:

#### ***Out of policy commitments***

##### ***Risk***

Commitments are made which do not fall within the stated aims of the Fund.

##### ***Mitigation***

The Fund operates a rigorous process in reviewing grant applications ensuring the Fund's Giving Criteria is met prior to issuing the grant or interest free loan

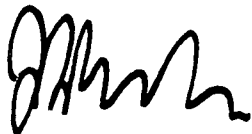
#### ***Insufficient awareness***

##### ***Risk***

Insufficient awareness of the Fund does not allow it to reach eligible persons and therefore prevents it achieving its stated objectives.

##### ***Mitigation***

The Fund undertakes significant work to ensure that all employees are made aware of the Fund through fund raising and awareness raising activities during the year providing guidance on what the Fund does, how to donate and how to access in order to ensure that the Fund continues to meet its stated objectives.



**J Parnell**

Trustee

24 November 2016

# Boots Benevolent Fund

## Trustees' Report

for the year ended 31 August 2016

The Trustees present their report and the audited financial statements for the year ended 31 August 2016.

### Professional advisers

Auditor	Deloitte LLP, 1 City Square, Leeds, LS1 2AL
Bankers	National Westminster Bank, 148-149 Victoria Centre, Nottingham, NG1 3QT
Investment managers	COIF Charity Funds, 80 Cheapside, London, EC2V 6DZ
Registered office	1 Thane Road West, Nottingham, NG2 3AA
Company registration number	3053290
Charity registration number	1046559

### Structure, governance and management

The Fund is a limited company without share capital, limited by guarantee. The liability of a member in the event of the Fund being wound up whilst a member, or within one year of ceasing to be a member, is not to exceed £1. It is registered with the Charity Commission and must comply with the Companies Act 2006 and Charities Act 2011.

The Fund is governed by its Memorandum and Articles of Association which provides for a minimum of 3 Trustees to a maximum of 20 Trustees.

The Chair of Trustees together with the Company Secretary is responsible for the induction of any new Trustees. Trustee induction involves raising awareness of Trustees to their duties and responsibilities under both the Charities Act 2011 and the Companies Act 2006 and emerging regulatory issues as well as an introduction to the governing documents of the Fund and the internal policies adopted. New Trustees receive an Induction Pack in which copies of the following are included:

1. The Fund's latest annual report and accounts;
2. The Fund's internal governing documents;
3. The Fund's Memorandum and Articles of Association; and
4. The Charity Commission publications 'The Essential Trustee: What You Need to Know' and 'The Hallmarks of an Effective Charity'.

Trustees are encouraged to review the latest developments in charity legislation and regulation on the Charity Commission website to maintain their understanding of the role and ensure their effective performance.

Trustees are appointed following recommendation by the Trustees and the consent of the individual proposed. The individual shall then hold office until the next Annual General Meeting where they may be re-appointed. In accordance with the Articles of Association, at each general meeting after the first, one third of the Trustees who are subject to retirement by rotation, shall retire from office and may offer themselves for re-election.

Trustees meet no less than four times a year to agree the broad strategy and areas of activity for the Fund, review financial performance including the management of the funds within an investment and reserves context, consider the efficacy of its internal policies, and review all applications approved under its delegated powers.

The Fund does not have any direct employees. On a day to day basis the Fund is managed by employees of Boots Management Services Limited. This includes a Fund Manager, a Colleague Admin Support Services (CASS) Project Team Leader, and staff within the CASS department. CASS are responsible for the initial assessment of applications against the Fund's Giving Criteria and eligible applications are passed to the Fund Manager and Trustees based on the Fund's grant award policy. In addition, the Fund Manager, and where applicable with the assistance of CASS, co-ordinates fund-raising activities, promotes the Fund and supports with the provision of management information.

### Going Concern

The Fund has net assets and expects this to continue in future periods. Based on this, the Trustees have assessed that there is no material uncertainty surrounding the going concern of the Fund. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

### Future developments

In the forthcoming year the Trustees will continue to increase awareness and accessibility to the Fund, develop strategic partnerships and increase sustainable fund raising.

### 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.

### Trustees

The following served as Trustees during the period and subsequently:

A Morton	Chair
R Jones	
J Parnell	
A Penhale	
L Southam	
A Teal	(resigned 28 January 2016)
S Shuttleworth	
J Lawrence	(resigned 25 September 2015)
J Henderson	(resigned 25 September 2015)
A Francis	(appointed 11 April 2016)
B Lavery	(appointed 11 April 2016)
S Trafford	(appointed 26 May 2016)

# Boots Benevolent Fund

## Trustees' Report (continued)

for the year ended 31 August 2016

### Remuneration of Trustees

The Trustees received no remuneration for their services during the year (2015: £nil).

### Relationships with related parties

Details of transactions with related parties are set out in note 15 to the financial statements.

### Financial review

The Fund is dependent on funding from Boots UK Limited, Boots Management Services Limited, staff activities and income from its investments. This amounted to £274,718 during the year (17 months to 31 August 2015: £366,075). Overall the Fund reported net income of £117,000 (17 months to 31 August 2015: outgoing of £60,620). There was a net gain on investment assets of £88,275 (17 months to 31 August 2015: £47,278). As a result, total funds have increased from £1,052,654 to £1,257,929. The Trustees are satisfied with the year's result.

### Reserves policy

It is the policy of the Fund to maintain unrestricted funds at a level sufficient to fulfil the likely on-going obligations of the Fund, given the anticipated future income and level of charitable donations. Contingency reserves should be available such that the current level of outgoings can be maintained even if fundraising should decline in any given year.

Shortfall/excess of reserves – In the event that the Fund is holding less reserves than the policy states the Trustees will investigate options for fundraising. Communication and promotion of fundraising will also be increased. In the event that the Fund is holding more reserves than the policy states the Trustees will consider options for increasing outgoings within the following year. These will include:

- Increasing awareness of the fund to increase the number of recipients; and
- reviewing the level and type of support given to recipients.

Target reserves have been set at a minimum of three times' annual expenditure. This has been set as the Trustees have decided that this is a reasonable level to ensure that adequate funds are generated and available to cover future donations to charitable causes. Unrestricted funds at 31 August 2016 were £1,254,774 (31 August 2015: £1,049,499) which was 8.0 times (31 August 2015: 3.5 times) annual expenditure. The Reserves Policy will be reviewed and adjusted as necessary on an annual basis by the Trustees of the Fund, alongside forecasted fundraising and grants.

The Trustees have agreed that awareness and outgoings are anticipated to increase to align the reserves with the policy above.

### Investment policy

The Fund retains its surplus cash reserves in charities investment funds. The management of the Boots Benevolent Fund funds has an objective to provide reasonable income and growth against inflation. The Trustees are satisfied with the performance of the investments. In accordance with the Trustees' duties of care and prudence, the funds are managed by an external specialist investment manager on the Trustees' behalf, through the COIF Charity Funds. The Fund portfolio is made up of assets that include overseas equities, UK equities, property/infrastructure, fixed interest and cash. The performance of the funds is monitored quarterly by the Trustees. The Fund made a net gain in the period of £88,275 (17 months to 31 August 2015: net gain of £47,278) due to a rise (17 months to 31 August 2015: rise) in the capital value of the funds.

### Auditor

Pursuant to s487 Companies Act 2006, Deloitte LLP were deemed to be reappointed and will therefore continue in office.

### Disclosure of information to the auditor

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

By order of the Trustees:



J Parnell  
Trustee  
24 November 2016

Registered Office:  
1 Thane Road West,  
Nottingham,  
NG2 3AA  
Registered in England and Wales number: 3053290; Charity registration number: 1046559

## **Boots Benevolent Fund**

### **Statement of Trustees' responsibilities**

for the year ended 31 August 2016

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial period. Under that law they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland"

Under company law the Trustees 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 charitable company and of the excess of income over expenditure for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue with its activities; and
- observe the methods and principles of the Charities SORP

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and to prevent and detect fraud and other irregularities.

## **Independent auditor's report**

### **to the members of Boots Benevolent Fund**

We have audited the financial statements of Boots Benevolent Fund for the year ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charitable 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 charitable 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 charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of trustees and auditor**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) 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**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

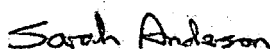
#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Trustees' Report for the financial year 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



**Sarah Anderson, FCCA (Senior statutory auditor)**

for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Leeds, UK

24 November 2016



## Boots Benevolent Fund

### Statement of Financial Activities (incorporating the Income and Expenditure Account) for the year ended 31 August 2016 and the 17 months ended 31 August 2015

	Notes	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds <sup>1</sup> £
<b>Income from</b>					
Donations	3	253,108	-	253,108	332,507
Investments	4	21,610	-	21,610	33,568
<b>Total income</b>		<b>274,718</b>	<b>-</b>	<b>274,718</b>	<b>366,075</b>
<b>Expenditure on</b>					
Charitable activities	5	(154,876)	-	(154,876)	(421,942)
Raising funds	6	(1,909)	-	(1,909)	(2,955)
Other		(933)	-	(933)	(1,798)
<b>Total expenditure</b>		<b>(157,718)</b>	<b>-</b>	<b>(157,718)</b>	<b>(426,695)</b>
<b>Other recognised gains</b>					
Net gain on investments	8	88,275	-	88,275	47,278
<b>Net income/(expenditure) for the year/period</b>		<b>205,275</b>	<b>-</b>	<b>205,275</b>	<b>(13,342)</b>
<b>Net movement in funds</b>		<b>205,275</b>	<b>-</b>	<b>205,275</b>	<b>(13,342)</b>

<sup>1</sup> All transactions in the 17 month period to 31 August 2015 were unrestricted.

Analysis of expenditure has been restated as explained in note 18.

The income/expenditure and resulting net movement in funds arise from continuing operations and includes all gains and losses recognised in the period.

### Reconciliation of funds as at 31 August 2016

	2016 £	2015 £
Total funds brought forward	1,052,654	1,065,996
Net movement in funds for the year/period	205,275	(13,342)
Total funds carried forward	1,257,929	1,052,654

The accompanying notes to the financial statements are an integral part of the Fund's financial statements.

# Boots Benevolent Fund

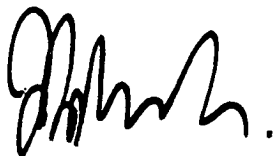
## Balance sheet

as at 31 August 2016

	Notes	2016 £	2015 £
<b>Fixed assets</b>			
Investments	8	854,342	766,067
<b>Current assets</b>			
Debtors	9	89,373	49,076
Cash at bank and in hand	10	336,215	248,300
		425,588	297,376
<b>Liabilities</b>			
Creditors: amounts falling due within one year	11	(22,001)	(10,789)
<b>Net current assets</b>		403,587	286,587
<b>Total assets less current liabilities</b>		1,257,929	1,052,654
<b>Net assets</b>		1,257,929	1,052,654
<b>Funds</b>			
Restricted income funds	12	3,155	3,155
Unrestricted income funds		1,254,774	1,049,499
<b>Total charity funds</b>		1,257,929	1,052,654

The accompanying notes to the financial statements are an integral part of the Fund's financial statements.

These financial statements were approved by the Board of Trustees on 24 November 2016 and were signed on its behalf by:



J Parnell  
Trustee

Registered office:  
1 Thane Road West  
Nottingham  
NG2 3AA

Registered in England and Wales number: 3053290  
Charity registration number: 1046559

# Boots Benevolent Fund

## Notes to the financial statements

for the year ended 31 August 2016 and the 17 months ended 31 August 2015

### 1. Accounting policies

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

#### General information

Boots Benevolent Fund (the "Fund") is a public benefit entity, a registered charity and is incorporated in England and Wales as a company limited by guarantee not having share capital. The address of the registered office is given on page 3. The nature of the Fund's operations and its principal activities are set out in the strategic report on page 1.

During the prior period, the year end of the Fund was changed from 31 March to 31 August. As a result, the comparative financial period results are for the seventeen months ended 31 August 2015 and are not directly comparable with the results for the year ended 31 August 2016.

#### Basis of preparation

The financial statements have been prepared under the Charities Act 2011 and Companies Act 2006 on a going concern basis and on the historical cost rules as modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council including Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

There were no adjustments on adoption of FRS 102 in the current year. For more information see note 18.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Fund operates.

#### Going concern

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

#### Statement of financial activities

The income/expenditure by the Fund are detailed below, together with the respective accounting treatments.

#### Income

All income is recognised once the Fund has entitlement to the resources, it is probable that the income will be received and the monetary value can be measured with sufficient reliability. Such voluntary income is accounted for on the date when it becomes receivable, which is when the Fund is entitled to the resource.

#### Income from investments

Income from fixed interest securities is accounted for on the date when it becomes receivable. Other investment income is accounted for on an accruals basis. Interest is shown as gross amounts prior to any tax deduction, which is recoverable.

#### Concessionary loans

Concessionary loans are interest free and measured at the amount received or paid.

#### Financial instruments

Financial assets and financial liabilities are recognised when the Fund becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

The Fund only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

#### Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Fund to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category.

#### Charitable activities

The Trustees consider that the Fund's activities are the awarding of grants to retired and serving employees experiencing financial hardship. This constitutes all expenditure besides fundraising and governance and all expenditure is accounted for on an accruals basis.

#### Basis of allocation

Support costs are contributions from Boots UK Limited and Boots Management Services Limited, which is an approximation, based on separately identifiable costs, in respect of managing and administering the Fund. Governance costs comprise all costs involving its compliance with constitutional and statutory requirements. These costs include costs related to statutory audit. All support costs and governance costs are allocated to charitable activities and raising funds.

#### Costs of raising funds

These costs are incurred in relation to marketing.

#### Grants

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Fund.

# Boots Benevolent Fund

## Notes to the financial statements (continued)

for the year ended 31 August 2016 and the 17 months ended 31 August 2015

### 1. Accounting policies (continued)

#### Taxation

Boots Benevolent Fund is considered to pass the tests set out in paragraph 1 schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the Fund is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### Funding accounting

The Fund has various funds for which it is responsible, which require separate disclosure. These are as follows:

##### Unrestricted funds

Funds which are expendable at the discretion of the Trustees in furtherance of the objects of the Fund and which have not been designated for other purposes.

##### Restricted income funds

Donations received which are earmarked by the donor for specific purposes within the overall aims of the Fund. The donation and income deriving from these funds will be used in accordance with the specific purposes. Further detail is given in note 11 of the financial statements.

### 2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Funds' accounting policies, which are described in note 1, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Trustees do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure beyond the accounting policies listed above.

### 3. Income from donations

	2016 £	2015 £
Donations from employees and others	229,242	285,291
Contribution from Boots UK Limited and Boots Management Services Limited (note 6)	23,866	47,216
	<b>253,108</b>	<b>332,507</b>

The donations from employees and others includes £31,505 (17 months to 31 August 2015: £30,977) from payroll giving. The balance relates primarily to fundraising and cash collections by employees in stores.

### 4. Investment income

	2016 £	2015 £
Interest received from COIF Charities Investment Account	21,553	33,486
Bank interest	57	82
	<b>21,610</b>	<b>33,568</b>

### 5. Analysis of charitable expenditure

The Fund undertook direct charitable activities by awarding grants.

	Grants funded activity £	Support costs £	2016 Total £	2015 Total £
Grants to beneficiaries (note 6)	81,514	77,997	159,511	430,173
Unpresented cheques and voided items	(2,400)	-	(2,400)	(10,834)
Provisions, bad debts and employee loans	(2,235)	-	(2,235)	2,603
	<b>76,879</b>	<b>77,997</b>	<b>154,876</b>	<b>421,942</b>

# Boots Benevolent Fund

## Notes to the financial statements (continued)

for the year ended 31 August 2016 and the 17 months ended 31 August 2015

### 6. Analysis of support costs

Included within donations is £23,866 (17 months to 31 August 2015: £47,216) representing a contribution in kind from Boots UK Limited and Boots Management Services Limited, based on separately identifiable costs in respect of managing and administering the Fund. These support costs are also reflected as costs under expenditure and have been apportioned between costs of raising funds £1,909 (17 months to 31 March 2015: £2,955), charitable activities £21,957 (17 months to 31 March 2015: £33,351) based on the estimated time spent on each activity.

There are also costs in relation to a full time Fund Manager to oversee the Boots Benevolent Fund's management and day to day affairs. This includes aspects of the Fund's operations including governance and administration, communications and awareness, and support in the assessment of grant applications. In addition, due to workload peaks during the period, certain additional administration costs were borne by the Fund in order to maintain appropriate timescales for assessment of grant applications. The total cost to the Benevolent Fund of these activities was £56,040 (17 months ended 31 August 2015: £95,347) included within expenditure from charitable activities.

The audit fee was borne by Boots UK Limited and is included as donated services. The open market value is estimated at £5,000 (17 months to 31 August 2015: £5,000).

#### *Trustees' remuneration and expenses*

The Trustees, or any persons connected to them, have not received any remuneration or reimbursement of expenses from the Fund (17 months to 31 August 2015: £nil).

### 7. Grants to beneficiaries

The following grants were awarded during the period:

	2016 £	2015 £
103 (17 month period to 31 August 2015: 483) miscellaneous grants to retired and serving employees experiencing financial hardship (including the provision of Tunstall community alarms to retired staff)	79,634	285,965
8 (17 month period to 31 August 2015: 20) fixed amount Christmas grants	1,880	4,600
	<b>81,514</b>	<b>290,565</b>

All grants are made to individuals. The Fund also grants interest free loans to Boots employees. During the period 43 loans were granted (17 months to 31 August 2015: 13) amounting to £37,688 (17 months to 31 August 2015: £7,937). Of the loans granted in the period, £19,329 (17 months to 31 August 2015: £1,147) has been repaid.

### 8. Investments

	2016 £	2015 £
<b>COIF Charities Investment Fund</b>		
Market value at beginning of period	766,067	718,789
Additions in the period	-	210,000
Disposals in the period	-	(210,000)
Net unrealised gain on revaluation	88,275	47,278
Fair value at end of year/period	<b>854,342</b>	<b>766,067</b>
Historic cost at end of year/period	<b>724,328</b>	<b>724,328</b>

### 9. Debtors

	2016 £	2015 £
Loans to Boots employees	22,001	9,759
Refunds	962	-
Other debtors	5,000	-
Amounts due from Boots UK Limited	61,410	39,317
	<b>89,373</b>	<b>49,076</b>

Loans to Boots employees relate to the un-provided balance outstanding on loans as detailed above.

# Boots Benevolent Fund

## Notes to the financial statements (continued)

for the year ended 31 August 2016 and the 17 months ended 31 August 2015

### 10. Cash at bank and in hand

	2016 £	2015 £
Deposit accounts		
- COIF Charities Investment Fund	194,840	173,286
- Reserve account	140,925	74,564
Cash in hand	450	450
	<b>336,215</b>	<b>248,300</b>

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

	2016 £	2015 £
Amounts owed to Boots UK Limited	22,001	10,789

### 12. Restricted funds

The restricted part of the Fund represents the amount of unclaimed monies owing to investors in the Boots Employees' Savings Fund which were transferred to the General Benevolent Fund when the Savings Fund was discontinued. This amount was transferred to the Fund on 31 March 1997 but is held in trust and, as such, is not available for distribution by the Fund.

The Fund monies are held in the bank accounts operated by the Fund. Interest received from this account is treated as income of the Fund.

### 13. Analysis of net assets between funds

Fund balances at 31 August 2016 are represented by:

	Restricted funds £	Unrestricted funds £	Total £
Investments	-	854,342	854,342
Current assets	3,155	422,433	425,588
Current liabilities	-	(22,001)	(22,001)
<b>Total net assets</b>	<b>3,155</b>	<b>1,254,774</b>	<b>1,257,929</b>

The value of funds relating to unrealised gains is £88,275 (2015: £47,278).

### 14. Employee numbers and costs

The Fund has no employees, and no Trustee has received any remuneration or reimbursement of expenses for their services to the Fund during the current or prior period.

### 15. Related parties

Boots Benevolent Fund is a wholly owned charitable company within the Walgreens Boots Alliance, Inc. Group. All companies within the Group are a related party to the Fund.

During the period, the Fund was donated services to the value of £14,842 (17 months to 31 August 2015: £20,524) from a related company, Boots UK Limited (a wholly owned subsidiary within the Group). Amounts due from Boots UK Limited at the period end were £61,410 (31 August 2015: £39,317) relating to store donations. Amounts due to Boots UK Limited at the period end were £22,001 (31 August 2015: £10,789) relating to employee loans.

During the period, the Fund was donated services to the value of £9,024 (17 months to 31 August 2015: £26,692) from a related company, Boots Management Services Limited (a wholly owned subsidiary within the Group). Amounts due to Boots Management Services Limited at the period end were £nil (31 August 2015: £nil).

### 16. Commitments

At the balance sheet date, there are no grants which the Fund was committed to making that have not been provided for (2015: none).

### 17. Ultimate parent undertaking

The Fund has no share capital and is limited by guarantee of the members. At 31 August 2016 the Fund's immediate parents are Alliance Boots Holdings Limited and Walgreens Boots Alliance Services Limited and its ultimate parent company and controlling party was Walgreens Boots Alliance, Inc. Walgreens Boots Alliance, Inc. is also the parent undertaking of the largest and smallest group in which the Company is consolidated. The consolidated financial statements of this group are available from the Walgreens Boots Alliance website at [www.walgreensbootsalliance.com](http://www.walgreensbootsalliance.com).

Walgreens Boots Alliance, Inc. is incorporated in the United States of America, and its principal office address is 108 Wilmot Road, Deerfield, Illinois, 60015.

## **Boots Benevolent Fund**

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

for the year ended 31 August 2016 and the 17 months ended 31 August 2015

#### **18. Transitioning to FRS 102**

##### *Basis of accounting*

For all periods up to and including the 17 month period ended 31 August 2015, the Fund prepared its financial statements in accordance with previously extant UK GAAP. These financial statements, for the year ended 31 August 2016 are the first the Fund has prepared under Financial Reporting Standard 102 (FRS 102).

The Fund meets the definition of a qualifying entity under FRS 102 issued by the Financial Reporting Council. Accordingly, the Fund has prepared financial statements which comply with FRS 102 applicable for periods from 1 April 2014. These financial statements were prepared in accordance with FRS 102.

In preparing these financial statements, the Trustees have considered whether any restatement of comparatives was required to comply with FRS 102 and the Charities SORP. No restatements were required although there has been a change in the analysis of governance costs. Governance costs were previously separately analysed on the face of the statement of financial activity. Governance costs are now classified as a support cost and have therefore been allocated to activities along with other support costs. There is no effect on the total expenditure for the current or prior period.