

Company registration number: 3053290  
Charity registration number: 1046559

**Boots Benevolent Fund**  
**Annual report and financial statements**  
for the year ended 31 August 2018



## **Boots Benevolent Fund**

### **Contents**

<b>Strategic report</b>	<b>1</b>
<b>Trustees' report</b>	<b>3</b>
<b>Statement of Trustees' responsibilities</b>	<b>5</b>
<b>Independent auditor's report</b>	<b>6</b>
<b>Statement of Financial Activities (incorporating the Income and Expenditure Account)</b>	<b>8</b>
<b>Balance sheet</b>	<b>9</b>
<b>Notes to the financial statements</b>	<b>10</b>

# Boots Benevolent Fund

## Strategic report

for the year ended 31 August 2018

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).

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 Activity

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 objectives 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 and Achievements and Performance

During the year, the Trustees made awards in line with its Giving Criteria and accordingly supported employees, former employees, their dependants or immediate relatives with grants and interest free loans, as well as complementary hampers containing Boots products. In addition, it provided Tunstall community alarms to retired staff who are experiencing financial hardship.

Decisions 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 2017 to 31 August 2018, the Fund awarded the following to individuals:

- 217 (2017: 127) miscellaneous grants amounting to £184,285 (2017: £97,355);
- 7 (2017: 8) fixed amount Christmas grants amounting to £1,680 (2017: £1,880); and
- 30 (2017: 45) miscellaneous interest free loans amounting to £24,188 (2017: £47,619).

Income in the year was mainly from donations and this along with other fund-raising activities produced income of £279,619 in the year (2017: £255,677).

Employees of Boots were encouraged to sign up for payroll giving, which raised £45,968 in the year (2017: £43,458). This is included within income.

### 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.

## **Boots Benevolent Fund**

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

for the year ended 31 August 2018

#### **Principal Risks and Uncertainties (continued)**

##### ***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.



**A Thompson**  
Company Secretary  
30 November 2018

# Boots Benevolent Fund

## Trustees' Report

for the year ended 31 August 2018

The Trustees present their annual report and the audited financial statements for the year ended 31 August 2018.

### Professional advisers

Auditor Deloitte LLP, Statutory Auditor, 1 Woodborough Road, Nottingham, NG1 3FG, United Kingdom

Bankers National Westminster Bank, 148-149 Victoria Centre, Nottingham, NG1 3QT

Investment managers CCLA Investment Management Limited, Senator House, 85 Queen Victoria Street, London, EC4V 4ET

Registered office & principal 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, registered in England and Wales. 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, and Fund Administration staff within the H.R. department. Fund Administrators 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 H.R., 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 for a minimum of 12 months from the date of signing. 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 year and subsequently:

A Francis	
A Penhale	
E Rabin	
L Southam	
S Trafford	
N Clements	(appointed 17 July 2018)
R Jamieson	(appointed 26 October 2017, resigned 16 July 2018)
A Caplan	(resigned 5 October 2018)
S Shuttleworth	(resigned 17 September 2018)
M Barry	(resigned 31 May 2018)
R Jones	(resigned 31 October 2017)

# Boots Benevolent Fund

## Trustees' Report (continued) for the year ended 31 August 2018

### Remuneration of Trustees

The Trustees received no remuneration for their services during the year (2017: £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 cash found in Boots stores; staff activities; income from its investments; and donated services from Boots UK Limited and Boots Management Services Limited. This amounted to £300,200 during the year (2017: £276,895). Overall the Fund reported net expenditure of £83,505 (2017: income of £53,792). There was a net gain on investment assets of £17,757 (2017: £19,134). As a result, total funds have decreased from £1,311,721 to £1,228,216. 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 2018 were £1,225,061 (31 August 2017: £1,308,566) which was 3.1 times (2017: 5.4 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 year of £17,757 (2017: net gain of £19,134) due to a rise (2017: rise) in the capital value of the funds.

### References to Strategic Report

Details of the following areas can be found in the Strategic Report and form part of this report by cross-reference:

- Objectives and activities for the public benefit (including public benefit statement)
- Achievements and performance

### Auditor

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

The Trustee's report, including the Strategic Report, was approved by the Board and signed on its behalf by:



**E Rabin**  
Trustee  
30 November 2018

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 2018

The Trustees, who are also directors of Boots Benevolent Fund for the purposes of Company Law, are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland".

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including income and expenditure of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP.
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that 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 are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

# Boots Benevolent Fund

## Independent auditor's report to the members of Boots Benevolent Fund

### *Report on the audit of the financial statements*

#### **Opinion**

In our opinion the financial statements of Boots Benevolent Fund (the "charitable company"):

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 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 including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Boots Benevolent Fund (the 'charitable company') which comprise:

- the statement of financial activities (incorporating the Income and Expenditure account);
- the reconciliation of funds;
- the balance sheet; and
- the related notes 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We are required by ISAs (UK) to report in respect of the following matters where:

- the trustees' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

#### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

#### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



## Boots Benevolent Fund

### Independent auditor's report

to the members of Boots Benevolent Fund (continued)

#### *Report on other legal and regulatory requirements*

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

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the strategic report and the directors' report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report included within the trustees' report.

##### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

##### **Use of our report**

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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Sarah Anderson*

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

for and on behalf of Deloitte LLP

Statutory Auditor

Nottingham, United Kingdom

30 November 2018

## Boots Benevolent Fund

### Statement of Financial Activities (incorporating the Income and Expenditure Account) for the year ended 31 August 2018

	Notes	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
<b>Income from</b>					
Donations	3	279,619	-	279,619	255,677
Investments	4	20,581	-	20,581	21,218
<b>Total income</b>		300,200	-	300,200	276,895
<b>Expenditure on</b>					
Charitable activities	5	(393,261)	-	(393,261)	(238,954)
Raising funds	6	(2,825)	-	(2,825)	(1,987)
Other		(5,376)	-	(5,376)	(1,296)
<b>Total expenditure</b>		(401,462)	-	(401,462)	(242,237)
<b>Net (expenditure)/income before gains on investments</b>		(101,262)	-	(101,262)	34,658
<b>Other recognised gains</b>					
Net gain on investments	8	17,757	-	17,757	19,134
<b>Net (expenditure)/income for the year</b>		(83,505)	-	(83,505)	53,792
<b>Net movement in funds</b>		(83,505)	-	(83,505)	53,792

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

All income and expenditure in 2017 was to unrestricted funds.

### Reconciliation of funds as at 31 August 2018

	2018 Restricted £	2018 Unrestricted £	2018 Total £	2017 Total £
Total funds brought forward	3,155	1,308,566	1,311,721	1,257,929
Net movement in funds for the year	-	(83,505)	(83,505)	53,792
Total funds carried forward	3,155	1,225,061	1,228,216	1,311,721

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 2018

	Notes	2018 £	2017 £
<b>Fixed assets</b>			
Investments	8	891,233	873,476
<b>Current assets</b>			
Debtors	9	65,095	76,480
Cash at bank and in hand	10	287,133	389,831
		352,228	466,311
<b>Liabilities</b>			
Creditors: amounts falling due within one year	11	(15,245)	(28,066)
<b>Net current assets</b>		336,983	438,245
<b>Total assets less current liabilities</b>		1,228,216	1,311,721
<b>Net assets</b>		1,228,216	1,311,721
<b>Funds</b>			
Restricted income funds	12	3,155	3,155
Unrestricted income funds		1,225,061	1,308,566
<b>Total charity funds</b>		1,228,216	1,311,721

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

The financial statements for Boots Benevolent Fund (company registration number 3053290, charity registration number 1046559) were approved by the Board of Trustees and authorised for issue on 30 November 2018 and were signed on its behalf by:



**E Rabin**  
Trustee

# Boots Benevolent Fund

## Notes to the financial statements (continued)

for the year ended 31 August 2018

### 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 4. The nature of the Fund's operations and its principal activities are set out in the strategic report on page 1.

#### Basis of preparation

The financial statements are prepared under the historical cost convention, in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2015)" 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 2016; and the Companies Act 2006.

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

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemption available to it in respect of its separate financial statements in relation to presentation of a cash flow statement

#### Going concern

The Fund has net assets and expects this to be the case for a minimum of 12 months from the date of signing. 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.

#### 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. All income is generated in the United Kingdom.

#### 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.

#### Donations

Such voluntary income is accounted for on the date when it becomes receivable. Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised - refer to the trustees' annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the year of receipt.

#### 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 on the basis of time spent on the activities.

# Boots Benevolent Fund

## Notes to the financial statements (continued)

for the year ended 31 August 2018

### 1. Accounting policies (continued)

#### Expenditure (continued)

##### 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 as stated in the Trustees' Report.

##### Investments

Realised and unrealised gains and losses are included in the Statement of Financial Activities. Investments are stated at market value at the balance sheet date and are derived from investment assets in the United Kingdom.

##### Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

##### Taxation

The fund is a registered charity and has no liability to corporation tax on its charitable activities under the Corporation Tax Act 2010 (chapters 2 and 3 of part ii, section 466 onwards) or Section 256 of the Taxation for Chargeable Gains Act 1992, to the extent surpluses are applied to its 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 12 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.

### 3. Income from donations

	2018 £	2017 £
Donations from employees and others	244,304	230,236
Contribution from Boots UK Limited and Boots Management Services Limited (note 6)	35,315	25,441
	279,619	255,677

The donations from employees and others includes £45,968 (2017: £43,458) from payroll giving. The balance relates primarily to fundraising and cash collections by employees in stores.

### 4. Investment income

	2018 £	2017 £
Interest received from COIF Charities Investment Account	20,509	21,192
Bank interest	72	26
	20,581	21,218

## Boots Benevolent Fund

### Notes to the financial statements (continued) for the year ended 31 August 2018

#### 5. Analysis of charitable expenditure

The Fund undertook direct charitable activities by awarding grants.

	Grants funded activity £	Support costs £	2018 Total £
Grants to beneficiaries (note 7)	301,270	91,991	393,261
	Grants funded activity £	Support costs £	2017 Total £
Grants to beneficiaries (note 7)	154,048	87,570	159,511
Provisions, bad debts and employee loans	(2,664)	-	(2,664)
	151,384	87,570	238,954

#### 6. Analysis of support costs

Included within donations is £35,315 (2017: £25,441) 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 £2,825 (2017: £1,987) and charitable activities £32,490 (2017: £22,846) 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 year, 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 £59,501 (2017: £64,724) 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 (2017: £5,000). There are no fees payable to the company's auditor for non-audit services (2017: nil). Governance costs of £5,000 (2017: £5,000) consist of the audit fee.

#### Trustees' remuneration and expenses

The Trustees, or any persons connected to them, have not received any remuneration or reimbursement of expenses from the Fund (2017: £nil).

#### 7. Grants to beneficiaries

The following grants were awarded during the year:

	2018 £	2017 £
217 (2017: 127) miscellaneous grants to retired and serving employees experiencing financial hardship (including the provision of Tunstall community alarms to retired staff)	184,285	97,355
7 (2017: 8) fixed amount Christmas grants	1,680	1,880
Supermarket vouchers	115,305	50,620
Other grants	-	4,193
	301,270	154,048

All grants are made to individuals. The Fund also grants interest free loans to Boots employees. During the year 30 loans were granted (2017: 45) amounting to £24,188 (2017: £47,619). Of the loans granted in the year, £14,576 (2017: £23,945) has been repaid.

#### 8. Investments

	2018 £	2017 £
<b>COIF Charities Investment Fund</b>		
Market value at beginning of year	873,476	854,342
Net unrealised gain on revaluation	17,757	19,134
Fair value at end of year	891,233	873,476
Historic cost at end of year	724,328	724,328

## Boots Benevolent Fund

### Notes to the financial statements (continued)

for the year ended 31 August 2018

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

	2018 £	2017 £
Loans to Boots employees	15,176	27,083
Refunds	707	848
Other debtors	940	6,245
Amounts due from Boots UK Limited	48,272	42,304
	<b>65,095</b>	<b>76,480</b>

Loans to Boots employees relate to the un-provided balance outstanding on loans as detailed above. Amounts due from Boots UK Limited are interest free and repayable on demand.

#### 10. Cash at bank and in hand

	2018 £	2017 £
Deposit accounts		
- COIF Charities Investment Fund	236,541	216,032
- Reserve account	50,592	173,799
	<b>287,133</b>	<b>389,831</b>

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

	2018 £	2017 £
Amounts owed to Boots UK Limited	15,245	27,083
Accruals	-	983
	<b>15,245</b>	<b>28,066</b>

Amounts due from Boots UK Limited are interest free and repayable on demand.

#### 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 2018 are represented by:

	Restricted funds £	Unrestricted funds £	Total £
Investments	-	891,233	891,233
Current assets	3,155	350,709	353,864
Current liabilities	-	(16,881)	(16,881)
<b>Total net assets</b>	<b>3,155</b>	<b>1,225,061</b>	<b>1,228,216</b>

The value of funds relating to unrealised gains is £17,757 (2017: £19,134).

Fund balances at 31 August 2017 are represented by:

	Restricted funds £	Unrestricted funds £	Total £
Investments	-	873,476	873,476
Current assets	3,155	463,156	466,311
Current liabilities	-	(28,066)	(28,066)
<b>Total net assets</b>	<b>3,155</b>	<b>1,308,566</b>	<b>1,311,721</b>

#### 14. Employee numbers and costs

The Fund has no employees (2017: nil), and no Trustee has received any remuneration or reimbursement of expenses for their services to the Fund during the current or prior year.

## **Boots Benevolent Fund**

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

for the year ended 31 August 2018

#### **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 year, the Fund was donated services to the value of £25,342 (2017: £15,083) from a related company, Boots UK Limited (a wholly owned subsidiary within the Group). Amounts due from Boots UK Limited at the year end were £48,272 (31 August 2017: £42,304) relating to store donations. Amounts due to Boots UK Limited at the year end were £15,246 (31 August 2017: £27,083) relating to employee loans.

During the year, the Fund was donated services to the value of £9,973 (2017: £9,750) from a related company, Boots Management Services Limited (a wholly owned subsidiary within the Group). Amounts due to Boots Management Services Limited at the year end were £nil (31 August 2017: £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 (2017: none).

#### **17. Ultimate parent undertaking**

The Fund has no share capital and is limited by guarantee of the members. At 31 August 2018 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 and registered office address is 108 Wilmot Road, Deerfield, Illinois, 60015. The principal purpose of Walgreens Boots Alliance is to help people across the world lead healthier and happier lives, and the principal activity is retail.