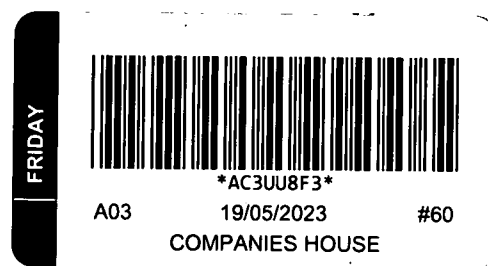


Company registration number: 03070395



Liz Earle Beauty Co. Limited
Annual report and financial statements
for the year ended 31 August 2022

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Liz Earle Beauty Co. Limited

Strategic report for the year ended 31 August 2022

The Directors present their Strategic report for Liz Earle Beauty Co. Limited ("the Company") for the year ending 31 August 2022.

Principal activities

The principal activity of the Company continues to be the sale of cosmetic products and treatments, with principal product categories including Skincare, Haircare and Fragrance.

Business review and key performance indicators (KPIs)

The key performance indicators for the Company are provided in the table below. The movement in profit for the year is partly driven by a change in consumer shopping habits after Covid restrictions were lifted, balanced by new retail customers and reduced SG&A expenditure. There are no non-financial key performance indicators for the Company. The Directors declared and paid two dividends during the year that amounted to £20,000,000 reducing Shareholders' Equity.

	2022	2021 (*restated)
	£	£
Revenue	50,720,756	55,085,265
Operating profit	10,198,963	10,001,262
Profit for the year	8,532,877	7,849,026
Shareholders' equity	19,784,879	31,252,002

*The comparative information has been restated as the result of a change in accounting policy on Software as a Service (SaaS) arrangements, please refer to note 2 and note 27.

Covid/cost of living

In December 2019, an outbreak of Coronavirus disease (COVID-19) emerged globally and became more widespread in 2020, including a major outbreak in the United Kingdom. While the Company did not incur significant disruptions, COVID-19 has created significant public health concerns as well as significant volatility, uncertainty and economic disruption. Policies and initiatives have been designed to reduce the transmission of COVID-19 and have resulted in, among other things, temporary closure of Company facilities and the adoption of work-from-home policies. While the Company has not suffered significant disruptions from COVID-19, the Company has put plans in place at our facilities to maintain continuity of our operations, while also taking steps to keep our team members healthy and safe. In 2021, the UK restrictions were relaxed, and the majority were removed by August. See Principal Risks and Uncertainties below.

On 24 February 2022, conflict broke out between Russia and Ukraine. The impact of the conflict combined with existing global cost pressures and supply chain disruptions as economies reopened after COVID-19 lockdowns have resulted in high inflation rates in the United Kingdom and globally. This cost of living crisis has not caused a significant impact on the business. Management continue to monitor the situation.

The Directors and their duties under Section 172 of the Companies Act

The Company has a board of Directors comprised of three directors as stated within the Directors' report.

The Directors believe that a commitment to strong corporate governance standards is an essential element of enhancing long-term shareholder value in a sustainable manner. Being a part of the Walgreens Boots Alliance, Inc. Group, the Company adheres to the Corporate Governance Guidelines (the "guidelines") that have been adopted by Walgreens Boots Alliance, Inc. to assist the Board in the exercise of its responsibilities on behalf of the Company and its shareholders. The guidelines are intended to provide guidance as a component of the flexible framework within which the Directors oversee and direct affairs of the Company. The Board also complies with the Code of Conduct and Business Ethics, issued by the Group which are applicable to all employees, officers and Directors of the Company. A copy of the Corporate Governance Guidelines can be found at <https://investor.walgreensbootsalliance.com/corporate-governance.cfm>.

In addition, the Company adheres to the robust framework of delegated authorities and internal policies adopted by the Group, which support the Group's corporate governance arrangements across the organisation.

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the long term success of the company for the benefit of its members as a whole and in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long term;*
- the interests of the company's employees;*
- the need to foster the company's business relationships with suppliers, customers and others;*
- the impact of the company's operations on the community and the environment;*
- the desirability of the company maintaining a reputation for high standards of business conduct; and*
- the need to act fairly as between members of the company.*

As a part of their induction, the Directors of the Company are briefed on their duties including those under section 172(1) and they can access professional advice on these either from the Company Secretary or, if they judge necessary, from independent advisors for effective discharge of their duties.

When making any decisions, during the year ended 31 August 2022, the Directors considered, both individually and together, the matters set out in section 172(1)(a-f) and have acted in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members, as a whole. Below are some of the ways in which the Directors have engaged with various stakeholders and fulfilled their duty under this section.

Strategic report (continued) for the year ended 31 August 2022

Employees: The Directors pursue a policy to promote diversity and inclusion among employees. The Company either directly or through its affiliate companies, has various formal and informal processes to actively engage with its employees. These may include employee performance reviews/appraisals, communications through email, intranet, bulletin boards and town hall meetings. The Directors use these processes and engagements to understand employees' views and take these into account while making decisions. By way of example, employee engagement surveys are undertaken covering the majority of the workforce, with the results reported to the Board. Survey results are cascaded throughout the organisation, actions are identified through collaboration with the wider employee teams and resulting actions are communicated to colleagues.

Employees are kept informed of the Company's performance and strategy through regular executive briefings and "town hall" meetings. Employee engagement is encouraged via "Q&A" forums before and during these events to provide employees with the opportunity to submit questions and/or feedback to the leadership teams, with the responses being provided either during or following the event. Employee surveys are frequently used following such events to allow employees to provide feedback.

The Company monitors employee-related matters, including engagement activities, survey results, staff retention rates, diversity, whistleblowing activity, learning and development activity, pay and reward, including gender pay gap along with other initiatives. Throughout the year, key messages are cascaded to all colleagues throughout the organisation.

Customers: The Directors strongly believe in treating customers fairly and providing them with safe and quality products. The Company and its affiliate companies have adopted multiple ways to engage with customers, these may include face-to-face interactions, social media interaction and surveys. The Directors use these processes to understand the views of the customers and consider the impact of their decision on customers' interest.

Suppliers: The Directors aim to ensure that the Company operates fairly, transparently and with integrity with its suppliers. The Company and its affiliate companies engage with its suppliers through multiple channels, both formally and informally. These engagements provide the Directors with a broad and diverse understanding of supplier priorities and allow them to take into account the interests of suppliers while making decisions.

Communities: The Directors value an open dialogue with the communities in which the Company operates. This allows the Directors to understand how these communities view the Company and the emerging needs of these communities. It also enables the Directors to take into account the impact of their decisions on these communities. The Company, either directly or through its affiliate companies, engages with the wider community through multiple means which could include social media, charity events, and engagement with various associations, among others.

The Directors have engaged with multiple stakeholders, both formally and informally, using processes and methods discussed above to take into account their views and interests, while making decisions that would promote the long term success of the Company for all its members. Some of these decisions included:

- a. Putting contingency plans in place to maintain continuity of operations and ensure provision of service to customers;
- b. Introducing measures to keep all employees healthy and safe. Transitioning office based colleagues to remote work environment and installing protective equipment at work places;
- c. Supporting suppliers to ensure adequate availability of critical products throughout the supply chain; and
- d. Ensuring adequate funding for the Company to support continuity of business through these adverse conditions.

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 to 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.

COVID-19

Risk

The COVID-19 pandemic has created significant volatility, uncertainty and economic disruption. These factors may have an adverse impact on the future business operations and financial position of the Company.

Mitigation

The Company has assessed and will continue to assess the impact of these governmental actions on the Company. It has taken measures to keep facilities open and safe for all team members.

The Company has also taken advantage of the government schemes available to businesses such as the Coronavirus Job Retention Scheme (note 8) and business rates holidays for our direct stores totalling £0 (2021: £60,000).

Macroeconomic and political environment

Risk

The Company could be affected adversely by the impact of the current macroeconomic and political environment on key suppliers and customer groups.

Mitigation

The Company has a rigorous process for identifying and monitoring all business critical suppliers and has appropriate contingency plans for suppliers it considers vulnerable. The Company also has a rigorous planning process to assess the impact of macroeconomic and political developments on key customer groups.

Liz Earle Beauty Co. Limited

Strategic report (continued) for the year ended 31 August 2022

Principal risks and uncertainties (Continued)

Impact of regulation

Risk

The Company operates in regulated markets and could be adversely affected by changes to existing regulation, new regulation and/or failure to comply with regulation.

Mitigation

The Company seeks to control this type of risk through active involvement in policy-making processes, understanding and contributing to government thinking on regulatory matters and building relationships with regulatory bodies directly and through representation in relevant professional and trade associations.

Changes and trends in consumer behaviour

Risk

The Company could be adversely affected by changes in consumer spending levels, shopping habits, seasonality and preferences, including attitudes to its retail and product brands.

Mitigation

The Company's commercial skills and ability to respond flexibly to changing consumer demand is highly developed. Its strategy remains to continue to enhance its strong position in beauty retailing in the UK, by retaining its multichannel approach, differentiating our brand and providing expert customer service.

Health, safety and environmental risks

Risk

The Company could suffer reputational damage caused by a major health and safety or environmental incident.

Mitigation

The Company applies standards throughout the Group which are closely monitored and regularly audited. Health, safety and environmental incidents are logged and analysed in order to learn necessary lessons. Any major incident is promptly reported to and investigated by the executive management.

Product/services risk

Risk

The Company could be adversely impacted by the supply of defective products or provision of inadequate services. In particular this could come from errors in labelling of products and contamination or product mishandling issues.

Mitigation

The Company has robust purchasing processes and well developed contractual controls in relation to suppliers and a cohesive product control framework. This includes specific controls for testing product quality.

Major operational business failures

Risk

The Company could be adversely impacted by a major failure of its distribution centres and logistics infrastructure, IT systems or operational systems of key third party suppliers.

Mitigation

The Company operates rigorously audited control frameworks, regularly updates and tests business continuity plans and continually seeks to improve control of core business processes, both through self-assessment and through specific programmes relating to the delivery of key strategic projects.

Increased costs

Risk

Operating costs may be subject to increases outside the control of the Company.

Mitigation

The Company uses procurement professionals and procurement techniques to purchase goods and services on a national and international basis. The Company carefully controls operating costs such as payroll, and benefits from Group expertise in other areas such as a group property management function to manage lease negotiations in the UK.

Change management

Risk

The Company could be affected adversely by the failure to achieve the anticipated commercial, operational and financial benefits from the various change programmes in the course of implementation throughout the Company.

Mitigation

The Company has in place robust governance processes to control all key change programmes, including regular programme board and steering group meetings at which progress to achieve the required benefits is monitored rigorously.

Data protection

Risk

The Company processes a significant volume of confidential, personal and business data and could be adversely affected if any of this data is accidentally or maliciously lost.

Liz Earle Beauty Co. Limited

Strategic report (continued) for the year ended 31 August 2022

Principal risks and uncertainties (Continued)

Mitigation

The Company applies rigorous information security policies and procedures such as strong perimeter controls, access controls and data encryption. The Company is committed to the Payment Card Industry Data Security Standards and ensure that all processing done by ourselves complies with data protection legislation inclusive of the recent General Data Protection Regulation.

Sustainability

The Company is part of the Walgreens Boots Alliance, Inc. Group that leverages its experience and global outreach to care for people and the planet in numerous social responsibility and sustainability initiatives that have an impact on the health and wellbeing of millions of people. For further details, please refer to the Group's Corporate Social Responsibility report published on the Group website <https://www.walgreensbootsalliance.com/>.

Future developments

The Directors do not foresee a change in the principle activity of the Company and expect the general level of activity to remain consistent with 2022 in the forthcoming year.

Approved by the Board and signed on its behalf by:



A Thompson
Company Secretary
19 December 2022

Liz Earle Beauty Co. Limited

Directors' Report for the year ended 31 August 2022

The Directors present their annual report on the affairs of Liz Earle Beauty Co. Limited ("the Company"), together with the audited financial statements and auditor's report, for the year ended 31 August 2022.

Going concern

The financial statements have been prepared on a going concern basis. In adopting the going concern basis, the Company has considered business activities, principal risks and uncertainties as set out within the Strategic report, and the impact of COVID-19, the Russia-Ukraine conflict and the cost of living crisis.

The Company has net current assets of £12,444,201 (2021: £23,300,839) and continues to generate cash; therefore the Directors have assessed that it is appropriate to adopt the going concern basis of accounting in preparing the annual financial statements.

Financial risk management objectives and policies

The Company is exposed to currency and credit rate risk. It maintains relationships with suppliers (a small proportion of the total) who invoice in USD and EUR and also receives web income in these same currencies. 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.

The key business risks affecting the Company and the actions taken to mitigate those risks are detailed in the Strategic report.

Dividends

The Directors declared and paid two dividends that amounted to £20,000,000 (2021: £15,000,000). No further dividend was proposed at the date of this report.

Future developments

The Company intends to continue operating in the sale of cosmetic products and treatments.

Retrospective application of change in accounting policy

The Company has changed its accounting policy relating to the accounting treatment of certain software assets. This change follows the IFRIC Interpretation Committee's guidance published in April 2021 and relates to the capitalisation of costs of configuring or customising application software under 'Software as a Service' (SaaS) arrangements.

The Company's accounting policy has historically been to prepay costs related to the configuration and customisation of SaaS arrangements as prepaid current assets in the balance sheet. A new accounting policy has been adopted whereby costs of this nature are first assessed to determine whether they give rise to an asset. If capitalisation criteria are met, the asset is accounted for in accordance with IAS 38 Intangible Assets. If the criteria are not met, the costs are further analysed. Costs that arise from services performed in-house, by third party providers, and by SaaS service providers where the services are distinct from SaaS access, are expensed on configuration / customization (or prepayment where paid in advance until the service is performed). Costs arising from the SaaS service provider that are not distinct from SaaS access are expensed over the contract term. Following this investigation it was identified that the SaaS agreements do not result in assets controlled by the Company, and the related expenditure has been incurred primarily from third party and intercompany cross charges rather than the SaaS service provider. Therefore the Company has expensed all SaaS agreements that were previously held on the balance sheet.

This change in accounting policy has led to adjustments amounting to a reduction in prepaid assets held in other receivables of £1,203,792 as at 31 August 2022 (2021 restated: £1,819,533). Please refer to note 2 and note 27.

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 and to the date of this report:

R Shortland	Appointed 18 August 2022
M Winter	
A Murphy	
J Buckingham	Resigned 18 August 2022

The Directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Engagement with employees and employment of disabled people

Diversity and inclusion are key aspects of the Company's strong value system and culture. The Company never makes any employment-related decisions based upon a person's race, colour, gender, age, religion, disability, sexual orientation, national origin, former military status, marital status or any other basis protected by law.

The Company, either directly or through its associated companies, aims to ensure that all employees are informed about, and engaged with, their part of the business, augmented by a deeper understanding of the Company's financial and economic factors affecting the performance of the Company and providing them with information of matters of concern to them as employees. Some of the approaches used to fulfil these would include performance reviews/appraisals, communications through email, intranet, bulletin boards, providing access to the Company's annual report and press releases, and town hall meetings with senior management. These processes aim to ensure that the Company and its Directors take into account the views of the employees in the decision making process on a regular basis.

It is the Company's policy to give full and fair consideration for employing disabled persons wherever suitable opportunities exist. Employees who have become disabled are given every opportunity and assistance to continue in their employment or to be trained for suitable positions. It is the policy of the Company that the training, career development, and promotion of disabled persons should be identical to that of other employees.

Directors' report (continued)
for the year ended 31 August 2022

Engagement with suppliers, customers and others

The Company aims to operate fairly, transparently and with integrity in the marketplace. The Company along with its associate companies, engages with its customers, suppliers and other key stakeholders through multiple channels. These may include face to face interactions, social media interactions, conferences, corporate / business websites and surveys. This provides a broad and diverse understanding of evolving priorities of various stakeholders and helps the Company and its Directors to consider these views in their decision making.

Streamlined Energy and Carbon Reporting (SECR)

Liz Earle Beauty Co. Limited is committed to the protection of the environment and the reduction of its carbon footprint. As per changes introduced by the 2018 Regulations of the Companies Act 2006, the Directors of the Company are required to report on the energy and carbon information relating to the Company.

The related carbon footprint, measured in CO₂e tonnes, is calculated from the usage data submitted for energy usage from gas and electricity, outbound product delivery, and business travel activity. Conversion factors are applied on the basis of business location. UK-based data is converted using the UK Department for Environment, Food & Rural Affairs (DEFRA) CO₂e factors. Conversion factors are updated annually to reflect the factors published by DEFRA that are in effect as of 31 August of the reporting year.

The Company's financial year greenhouse gas emissions and energy use data were as follows:

	31 August 2022	31 August 2021
Energy consumption used to calculate emissions (kWh)	195	246
Scope 1 emissions in metric tonnes CO₂e: Onsite CHP plant - electricity Gas consumption Onsite CHP plant - heat Heat oil/kerosene consumption Owned transport	28	43
Scope 2 emissions in metric tonnes CO₂e: Purchased electricity	146	188
Scope 3 emissions in metric tonnes CO₂e: Business travel in employee owned vehicles	21	15
Total gross emissions in metric tonnes CO₂e £1 million sales Intensity ratio Tonnes CO ₂ e per £1 million sales	5.4	5.7

For the financial year ending 31 August 2022, multiple measures have been continued by the Company to reduce its energy consumption and carbon footprint. These include sustaining efficient LED (light emitting diode) technology and maintaining the heating, ventilation and air conditioning systems to ensure they operate at maximum efficiency.

Independent auditor

Deloitte LLP have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act of 2006.

Approved by the Board and signed on its behalf by:



A Thompson
Company Secretary
19 December 2022

Registered office:
The Green House
Nicholson Road
Ryde
Isle of Wight, PO33 1BD

Registered in England and Wales No. 03070395

**Directors' responsibilities statement
for the year ended 31 August 2022**

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

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework".

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 judgements and accounting 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 are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Liz Earle Beauty Co. Limited

Independent auditor's report

to the members of Liz Earle Beauty Co. Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Liz Earle Beauty Co. Limited: (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 August 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 28.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (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 Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors' with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors' are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 this regard.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors 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 Directors 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 Directors' are responsible for assessing the 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 Directors' either intend to liquidate the 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. This description forms part of our auditor's report.

Liz Earle Beauty Co. Limited

Independent auditor's report

to the members of Liz Earle Beauty Co. Limited (continued)

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included General Data Protection Regulation (GDPR) and anti-bribery and corruption legislation and employment laws.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address them are described below:

- Cut-off in web sale and wholesale revenue: There is a risk that revenue recorded up to the reporting date has not been recognised in the correct accounting period. To address the identified risk, we assessed the design and implementation, and operating effectiveness of revenue controls. We further selected and tested samples from revenue recorded before and after the financial year end to check the recognition of revenue in the appropriate accounting period.
- Valuation of inventories: There is judgment involved in determining the inventory provision, giving rise to an inventory valuation risk. To address the identified risk, we assessed the design and implementation, and operating effectiveness of inventory valuation controls. We further tested individual provisions in place for accuracy. To test the completeness of the provision, we traced a sample of inventory items to recent purchase and sale, and where appropriate to inclusion in the inventory provision, to check that each sample was recorded at the lower of cost and net realisable value.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

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 Strategic report and the Directors' report 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 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.

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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Liz Earle Beauty Co. Limited

Independent auditor's report

to the members of Liz Earle Beauty Co. Limited (continued)

We have nothing to report in respect of these matters.

Use of our report

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.



Hayley Ainsworth ACA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Reading, United Kingdom

19 December 2022

Liz Earle Beauty Co. Limited

Income statement for the year ended 31 August 2022

		2022	2021
	Notes	£	(*restated) £
Revenue	5	50,720,756	55,085,265
Cost of sales		(15,722,977)	(17,552,219)
Gross profit		34,997,779	37,533,046
Distribution costs		(227,848)	(198,055)
Administrative expenses		(24,570,968)	(27,333,729)
Operating profit		10,198,963	10,001,262
Investment revenue	9	40,207	12,958
Finance costs	10	(20,008)	(12,314)
Profit before taxation		10,219,162	10,001,906
Tax	11	(1,686,285)	(2,152,880)
Profit for the year	6	8,532,877	7,849,026

*The comparative information has been restated as the result of a change in accounting policy on Software as a Service (SaaS) arrangements, please refer to note 2 and note 27.

Revenue and operating profit are all derived from continuing operations.

The Company has no items of other comprehensive income and has, therefore, not included a separate statement of comprehensive income.

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

Liz Earle Beauty Co. Limited

Balance sheet

As at 31 August 2022

		2022	2021
	Notes	£	(*restated) £
Assets			
Non-current assets			
Intangible assets	12	70,956	192,369
Property, plant and equipment	13	6,837,255	7,381,603
Right of use assets	14	1,218,472	1,222,191
Other receivables	17	—	—
Deferred tax assets	15	573,353	628,353
		8,700,036	9,424,516
Current assets			
Inventories	16	7,944,408	7,326,955
Trade and other receivables	17	12,429,299	26,715,584
Corporation tax assets		190,865	311,148
Cash and bank balances		196,794	464,278
		20,761,366	34,817,965
Total assets		29,461,402	44,242,481
Current liabilities			
Trade and other payables	18	(7,754,369)	(11,086,330)
Lease liabilities	24	(262,600)	(224,898)
Provisions	19	(300,197)	(205,898)
		(8,317,166)	(11,517,126)
Net current assets		12,444,200	23,300,839
Total assets less current liabilities		21,144,236	32,725,355
Non-current liabilities			
Deferred income	18	(52,619)	(71,148)
Lease liabilities	24	(999,888)	(1,027,230)
Long term provisions	19	(306,850)	(374,975)
		(1,359,357)	(1,473,353)
Net assets		19,784,879	31,252,002
Equity			
Share capital	21	104,570	104,570
Share premium account	22	1,930,185	1,930,185
Other reserves	23	17,750,124	29,217,247
Total Equity		19,784,879	31,252,002

*The comparative information has been restated as the result of a change in accounting policy on Software as a Service (SaaS) arrangements, please refer to note 2 and note 27.

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

The financial statements of Liz Earle Beauty Co. Limited (registered number: 03070395) were approved by the Board of directors and authorised for issue on 19 December 2022.

They were signed on its behalf by:



Director
R Shortland
19 December 2022

Liz Earle Beauty Co. Limited

Statement of changes in equity for the year ended 31 August 2022

	Called-up share capital	Share premium account	Profit and loss account	Total
	£	£	£	£
At 1 September 2020	104,570	1,930,185	36,368,221	38,402,976
Profit for the year (*restated)	—	—	7,849,026	7,849,026
Dividends paid	—	—	(15,000,000)	(15,000,000)
At 31 August 2021	104,570	1,930,185	29,217,247	31,252,002
Profit for the year	—	—	8,532,877	8,532,877
Dividends paid (note 23)	—	—	(20,000,000)	(20,000,000)
At 31 August 2022	104,570	1,930,185	17,750,124	19,784,879

*The comparative information has been restated as the result of a change in accounting policy on Software as a Service (SaaS) arrangements, please refer to note 2 and note 27.

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

Note that profit for the year also represents total comprehensive income, therefore no separate statement of comprehensive income is required.

Liz Earle Beauty Co. Limited

Notes to the financial statements for the year ended 31 August 2022

1. General information

Liz Earle Beauty Co. Limited (the "Company") is a private company limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales.

The address of the registered office is given on page 6.

The nature of the Company's operations and its principal activities are set out in the Strategic report on page 1.

2. Adoption of new and revised standards

Impact of initial application of other amendments to IFRS Standards and Interpretations

In the current year, the Company has applied a number of amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after 1 January 2021. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Retrospective application of change in accounting policy

The Company has changed its accounting policy related to the accounting treatment of certain software assets. This change follows the IFRIC Interpretation Committee's guidance published in April 2021 and relates to the capitalisation of costs of configuring or customising application software under 'Software as a Service' (SaaS) arrangements.

The Company's accounting policy has historically been to prepay costs related to the configuration and customisation of SaaS arrangements as prepaid current assets in the balance sheet. A new accounting policy has been adopted whereby costs of this nature are first assessed to determine whether they give rise to an asset. If capitalisation criteria are met, the asset is accounted for in accordance with IAS 38 Intangible Assets. If the criteria are not met, the costs are further analysed. Costs that arise from services performed in-house, by third party providers, and by SaaS service providers where the services are distinct from SaaS access, are expensed on configuration / customization (or prepayment where paid in advance until the service is performed). Costs arising from the SaaS service provider that are not distinct from SaaS access are expensed over the contract term. Following this investigation it was identified that the SaaS agreements do not result in assets controlled by the Company, and the related expenditure has been incurred primarily from third party and intercompany cross charges rather than the SaaS service provider. Therefore the Company has expensed all SaaS agreements that were previously held on the balance sheet.

This change in accounting policy has led to adjustments amounting to a reduction in prepaid assets held in other receivables of £1,819,533 as at 31 August 2021. This change in accounting policy has led to an increase in administrative expenses of £1,819,533 as at 31 August 2021.

Further details of impact can be seen in note 27.

Amendments to IFRS 9, IAS 39 and IFRS 7	The Company has adopted the amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures for the first time in the current year. The amendments provide practical reliefs for hedging relationships to continue where the underlying interest rate has been updated by the interest rate benchmark reform.
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3. Significant accounting policies

Basis of accounting

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

These financial statements are individual accounts. The Group accounts of Walgreens Boots Alliance, Inc. are available from the Walgreens Boots Alliance website at www.walgreensbootsalliance.com. The principal office of the parent company preparing consolidated accounts is 108 Wilmut Road, Deerfield, Illinois, 60015, United States of America.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services. Where relevant, equivalent disclosures have been given in the Group accounts of Walgreens Boots Alliance, Inc.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) the requirements of IFRS 7 *Financial Instruments: Disclosures*;
- (b) the requirements of paragraphs 91-99 of IFRS 13 *Fair Value Measurement*;
- (c) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1;
 - (ii) paragraph 73(e) of IAS 16 *Property, Plant and Equipment*;
 - (iii) paragraph 118(e) of IAS 38 *Intangible Assets*;
- (e) the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 *Presentation of Financial Statements*;

Notes to the financial statements (continued)
for the year ended 31 August 2022

3. Significant accounting policies (continued)

(f) the requirements of IAS 7 *Statement of Cash Flows*;

(g) the requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*

(h) the requirements of paragraph 17 and 18A of IAS 24 *Related Party Disclosures*;

(i) the requirements in IAS 24 *Related Party Disclosures* to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and

(j) the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 *Revenue from Contracts with Customers*.

Where relevant, equivalent disclosures have been given in the group accounts of Walgreens Boots Alliance, Inc. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

The principal accounting policies adopted are set out below.

Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in its strategic report.

The Company's management believe that it is correct to prepare the accounting statements on the going concern basis, and consider that the Company will continue to deliver sales growth in FY22-23, with continued strong financial performance for the foreseeable future and for a period of at least 12 months from the date of this review.

The Company's Directors have assessed that there are no material uncertainties surrounding the going concern of the entity, including the impact of COVID-19, the Russia-Ukraine conflict and the cost of living crisis. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or rendering services to the customer, net of discounts, VAT and other sales-related taxes. Revenue estimations are reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

These conditions are considered satisfied when goods are physically delivered to the customer.

Foreign currencies

Currency transactions

Transactions denominated in currencies other than an entity's functional currency are translated into an entity's functional currency at the exchange rates prevailing at the date of the transactions. Monetary assets and liabilities denominated in currencies other than an entity's functional currency at the year-end are translated at the exchange rate ruling at that date. Non-monetary assets and liabilities that are measured at historical cost and are denominated in currencies other than an entity's functional currency are translated using the exchange rates at the date of the transaction. Exchange gains and losses are recognised in the income statement.

Retirement benefit costs

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Taxation

The tax expense represents the sum of the current tax and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Notes to the financial statements (continued)

for the year ended 31 August 2022

3. Significant accounting policies (continued)

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the period

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Cash and bank balances

Cash and bank balances 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.

Property, plant and equipment

All property, plant and equipment is stated at cost or deemed cost less accumulated depreciation and impairment losses.

Depreciation of property, plant and equipment is provided to write off the cost, less residual value, in equal instalments over their expected useful economic lives which are:

- Freehold buildings – 45 years;
- Leasehold land and buildings – Life of lease;
- Plant and machinery – 3 to 7 years; and
- Motor vehicles – 4 years.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the income statement.

Leases

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The Company determines if an arrangement contains a lease at the inception of a contract. Right-of-use assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease during the lease term. Right-of-use assets and lease liabilities are recognized at the commencement date based on the present value of the remaining future minimum lease payments during the lease term. The commencement date of all lease terms is the earlier of the date the Company becomes legally obligated to make rent payments or the date the Company has the right to control the property. The Company utilizes its incremental borrowing rate to discount the lease payments. The incremental borrowing rate is based on the Company's estimated rate of interest for a collateralized borrowing over a similar term as the lease term. Short-term leases with an initial term of 12 months or less are not recorded on the balance sheets.

Right-of-use assets are depreciated using the straight-line method over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. Lease incentives, intangibles arising from acquisition of leases as a part of business combination, accrued rent, and prepaid rent are considered part of measurement of right-of-use assets.

Notes to the financial statements (continued)
for the year ended 31 August 2022

3. Significant accounting policies (continued)

The Company accounts for lease components and non-lease components as a single lease component. The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. The Company has real estate leases which require reimbursement for real estate taxes, common area maintenance and insurance, which are expensed as incurred as variable lease costs and hence are not included in the lease payments used to calculate lease liability. Other real estate leases contain one fixed lease payment that includes real estate taxes, common area maintenance and insurance. These fixed payments are considered part of the lease payment and included in the right-of-use assets and lease liabilities. Initial terms for leased premises are typically 5 to 10 years and may include renewal options, rent escalation clauses or cancellation clauses. Typically, the lease term of real estate leases include renewal options that are reasonably certain of being exercised. Options to extend are considered reasonably certain of being exercised based on evaluation of multiple factors including if there is significant investments within the leased property which have useful lives greater than the non-cancellable lease term, performance of the underlying store and the Company's economic and strategic initiatives. The Company does not separately account for the land portion of the leases involving land and building. Finance leases are recognised within property, plant and equipment and as a finance lease liability within accrued expenses and other liabilities and other non current liabilities.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- a. Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- b. Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- c. The amount expected to be payable by the lessee under residual value guarantees;
- d. The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- e. Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease;

The lease liability is presented as a separate line in the balance sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever;

- a. The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- b. The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- c. A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification;

The Company performs impairment testing for its long-lived assets at asset group level. Retail store is considered as the asset group, which includes plant, property and equipment, and finance right-of-use assets in the store. The asset group is tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable and exceeds its fair value.

Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

The estimated useful life for intangible assets is usually 3 years.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Impairment of property, plant and equipment and intangible assets

At each balance sheet date, the Company reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Notes to the financial statements (continued)
for the year ended 31 August 2022

3. Significant accounting policies (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using standard cost with the FIFO method and stock turnover assumptions applied when apportioning Purchase price variance. Provision is made for obsolete, slow moving or defective items where appropriate.

Government funding and advances

Grants relating to revenue are recognised in profit and loss on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate. (note 8)

Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

The Company's financial assets include 'loans and receivables'.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Certain categories of financial assets, such as trade receivables, that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets except for trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered non-collectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the profit or loss. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECL.

When estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

Liz Earle Beauty Co. Limited

Notes to the financial statements (continued) for the year ended 31 August 2022

3. Significant accounting policies (continued)

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Financial liabilities

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Financial liabilities measured subsequently at amortised cost

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Share capital

Ordinary shares are classified as equity.

Dividend distribution

Dividends are based on Company's earnings and business considerations. Dividends are determined based on earnings, capital requirements, financial conditions and other factors considered relevant by the Company.

Dividends paid during the year amount to £20,000,000 (2021: £15,000,000).

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the Directors 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.

During the year, the Directors have concluded that there were no critical accounting judgements. The Directors have concluded that there are no key sources of estimation uncertainty.

Liz Earle Beauty Co. Limited

Notes to the financial statements (continued) for the year ended 31 August 2022

5. Revenue

The revenue and profit before taxation are attributable to the one principal activity of the Company.

An analysis of the Company's revenue by geographical market is set out below.

	2022	2021
	£	£
Revenue		
United Kingdom	50,184,361	54,747,044
Rest of world	536,395	338,221
	50,720,756	55,085,265

All revenue generated relates to the sale of goods and services. The Company received £94,360 (2021: £nil) in relation to services for other Group entities, the remaining £50,626,396 of revenue was generated by the sale of goods.

Revenue derived from an external customer that individually exceeded 10 percent of the total revenue is £nil (2021: £7,819,646).

6. Profit for the year

Profit for the year has been arrived at after charging/(crediting):

	2022	2021
	£	£
Net loss/(gain) on forex transactions	(9,791)	3,865
Depreciation of property, plant and equipment (note 13)	716,533	877,635
Amortisation of intangible assets (note 12)	121,413	1,348,669
Loss on disposal of property, plant and equipment (note 13)	171,857	36,154
Write downs of inventories recognised as an expense	311,938	218,137
Rental charges under operating leases (note 24)	70,923	66,327
Expenses on Right of Use Assets (note 24)	294,114	468,561

Other supplemental disclosures are as follows:

	2022	2021
Total cash outflow for leases	£(565,663)	£(269,932)
Right-of-use assets obtained in exchange for new lease obligations	—	—
Weighted average remaining lease term in years	5	6
Weighted average discount rate for lease obligations	1.56 %	1.56 %

The increase in cash outflow relates to rent payment negotiations for our Guildford direct store. Rent was delayed in 2021 on group instructions and an agreement reached in FY22. A rent review was also carried out on our Cowes warehouse site in 2021 resulting in an increase.

7. Auditor's remuneration

The Company paid the following amounts to its auditor in respect of the audit of the financial statements and for other services provided to the Company.

	2022	2021
	£	£
Audit of the financial statements	70,000	50,000

No non-audit services were provided to the Company by its auditor in the current or preceding year.

Liz Earle Beauty Co. Limited

Notes to the financial statements (continued) for the year ended 31 August 2022

8. Staff numbers and costs

The average monthly number of full time equivalent persons employed by the Company during the year/period, analysed by function, was:

	2022 Average Number	2021 Average Number
Sales and Distribution	456	495
Administration	88	108
	544	603

Costs incurred in respect of these employees were:

	2022 £	2021 £
Wages and salaries	9,516,078	10,302,180
Social security costs	893,534	1,038,912
Pension costs	350,272	428,283
	10,759,884	11,769,375

The Company received £2,626 (2021: £1,381,122) in Government Furlough grants during the year. This was recognised in the Income statement, all of which were included in Wages and Salaries. On 31 August 2022, the Company has no unfulfilled conditions or other contingencies attaching to government assistance that has been recognised.

No emoluments are payable to the Directors for their services to the Company in the current or preceding financial periods.

9. Finance Income

	2022 £	2021 £
Other finance income	40,207	12,958

This does not include any interest or similar charges payable to Group companies.

10. Finance costs

	2022 £	2021 £
Other finance costs	(20,008)	(12,314)

11. Tax

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

	2022 £	2021 £
Corporation tax:		
UK corporation tax	1,633,480	2,267,384
Adjustment in respect of prior periods	(1,000)	7,057
	1,632,480	2,274,441
Deferred tax (note 15):		
Origination and reversal of timing differences	71,805	16,796
Adjustments in respect of prior periods	(18,000)	16,479
Effect of change of rates	—	(154,836)
	53,805	(121,561)
	1,686,285	2,152,880

Corporation tax is calculated at 19% (2021: 19%) of the estimated taxable profit for the year.

The tax charge for the year can be reconciled to the profit in the income statement as follows:

Liz Earle Beauty Co. Limited

Notes to the financial statements (continued) for the year ended 31 August 2022

11. Tax (continued)

	2022 £	2021 £
Profit before tax	10,219,162	10,001,906
Tax at the UK corporation rate of 19.0% (2020: 19.0%)	1,941,610	1,900,363
Effects of:		
Prior period adjustments	—	23,536
Expenses not deductible for tax purposes	109,475	34,075
Other differences	—	4,031
Remeasurement of deferred tax balances due to change in UK substantively enacted rate	—	(154,836)
Adjustments in respect of prior periods	(19,000)	—
Tax effect of prior year restatement	(345,800)	—
Tax charge for the year	1,686,285	1,807,169

On May 24, 2022 the UK Finance Act 2022 was substantively enacted increasing the UK tax rate from 19% to 25% effective April 1, 2023. The impact of the tax rate, primarily revaluation of deferred tax liabilities, has been reflected in these financial statements.

12. Intangible assets

	Trademarks £	Software £	Total £
Cost			
At 1 September 2021	1,540,185	587,255	2,127,440
Additions	—	—	—
Disposals	—	—	—
At 31 August 2022	1,540,185	587,255	2,127,440
Amortisation			
At 1 September 2021	1,540,185	394,886	1,935,071
Charge for the year	—	121,413	121,413
Disposals	—	—	—
At 31 August 2022	1,540,185	516,299	2,056,484
Carrying amount			
At 31 August 2021	—	192,369	192,369
At 31 August 2022	—	70,956	70,956

Liz Earle Beauty Co. Limited

Notes to the financial statements (continued) for the year ended 31 August 2022

13. Property, plant and equipment

	Freehold £	Leasehold £	Plant and machinery £	Motor vehicles £	Total £
Cost					
At 1 September 2021	7,062,814	941,571	7,048,045	129,853	15,182,283
Additions	—	—	226,131	—	226,131
Adjustment	—	—	117,911	—	117,911
Disposals	—	(330,254)	(931,881)	(27,872)	(1,290,007)
At 31 August 2022	7,062,814	611,317	6,460,206	101,981	14,236,318
Accumulated depreciation					
At 1 September 2021	1,589,561	888,233	5,193,035	129,851	7,800,680
Charge for the year	140,232	36,393	539,908	—	716,533
Disposals	—	(330,254)	(760,024)	(27,872)	(1,118,150)
At 31 August 2022	1,729,793	594,372	4,972,919	101,979	7,399,063
Carrying amount					
At 31 August 2021	5,473,253	53,338	1,855,010	2	7,381,603
At 31 August 2022	5,333,021	16,945	1,487,287	2	6,837,255

The loss on disposal for property, plant and equipment for the year ended 31 August 2022 is £171,857 (2021: £36,154).

Disposal activity in the year consisted of the budgeted replacement of store counters. This was in most part due to the Boots Beauty Reinvention group project, but also caused by other marketing initiatives.

14. Right of Use Assets

	Right of Use Asset £	Total £
Cost		
At 1 September 2021	2,252,378	2,252,378
Additions	88,000	88,000
Modifications	182,388	182,388
Disposals	(542,788)	(542,788)
At 31 August 2022	1,979,978	1,979,978
Accumulated depreciation		
At 1 September 2021	1,030,187	1,030,187
Charge for the year	274,107	274,107
Disposals	(542,788)	(542,788)
At 31 August 2022	761,506	761,506
Carrying amount		
At 1 September 2021	1,222,191	1,222,191
At 31 August 2022	1,218,472	1,218,472

Liz Earle Beauty Co. Limited

Notes to the financial statements (continued) for the year ended 31 August 2022

15. Deferred Tax

The following are the major deferred tax assets recognised by the Company and movements thereon during the current and prior periods.

	Decelerated tax depreciation	Other temporary differences	Total
	£	£	£
At 31 August 2021	612,194	16,159	628,353
Charge to profit or loss	(53,805)	(1,195)	(55,000)
Effect of change of rates	—	—	—
At 31 August 2022	558,389	14,964	573,353

The decrease in the deferred tax asset relates to the timing difference between depreciation and capital allowances on fixed assets and an adjustment in respect to prior periods.

16. Inventories

	2022	2021
	£	£
Finished goods and goods for resale	7,944,408	7,326,955

The cost of inventory recognised as an expense in the year was £14,889.610 (2021: 16,058,294).

17. Trade and other receivables

	2022	2021
	£	(*restated) £
Amounts falling due within one year:		
Amount receivable for the sale of goods	1,478,127	1,887,142
Amounts owed by Group undertakings	9,573,838	23,631,230
Other receivables	965,936	915,761
Prepayments and accrued income	411,398	281,451
	12,429,299	26,715,584
Amounts falling due after more than one year:		
Other receivables	—	—
Included in non-current assets	—	—
Total trade and other receivables	12,429,299	26,715,584

Amounts owed from Group undertakings are unsecured, interest free and due 30 days from invoice date.

*The comparative information has been restated as the result of a change in accounting policy on Software as a Service (SaaS) arrangements, please refer to note 2 and note 27.

Liz Earle Beauty Co. Limited

Notes to the financial statements (continued) for the year ended 31 August 2022

18. Trade and other payables

	2022	2021
	£	£
Amounts falling due within one year:		
Trade payables	2,484,531	4,319,958
Amounts owed to Group undertakings	575,769	585,938
Taxes and social security	754,187	1,549,648
Other creditors	203,591	94,854
Accruals	3,695,402	4,430,438
Deferred income	40,888	105,494.00
Included in current liabilities	7,754,369	11,086,330
Amounts falling due after more than one year:		
Deferred income	52,619	71,148
Included in non-current liabilities	52,619	71,148
Total trade and other payables	7,806,988	11,157,478

Amounts owed to Group undertakings are unsecured, interest free and due 30 days from invoice date.

19. Provisions

	2022	2021
	£	£
Dilapidations	426,850	384,495
Other provisions	180,197	196,378
	607,047	580,873
Current	300,197	205,898
Non-current	306,850	374,975
	607,047	580,873

	Dilapidations	Other provisions	Total
	£	£	£
At 1 September 2021	384,495	196,378	580,873
Provision utilised during year	(3,270)	(82,626)	(85,896)
Provisions released during year	—	(35,258)	(35,258)
Provisions created during year	45,625	101,703	147,328
At 31 August 2022	426,850	180,197	607,047

The provision for dilapidations relates to potential dilapidations costs payable at exit from leased premises, accrued straight-line over the life of the lease or to an agreed lease exit date, whichever is sooner. The total provision of £180,196 in "Other Provisions" includes £131,144 that is stock related.

20. Financial commitments

Capitals commitments are as follows:

	2022	2021
	£	£
Contracted but not provided for	300,000	600,000

The Company's capital commitments relate to a new web asset that is hosted and maintained by a third party service provider.

Liz Earle Beauty Co. Limited

Notes to the financial statements (continued) for the year ended 31 August 2022

21. Share capital

	2022	2021
	£	£
Authorised		
Allotted, called up and fully paid		
"A" Ordinary Shares of £1.00	1,150	1,150
Ordinary Shares of £1.00	103,420	103,420
	104,570	104,570

22. Share premium account

	£
At 1 September 2021	1,930,185
At 31 August 2022	1,930,185

23. Retained earnings

	£
At 1 September 2020	36,368,221
Dividends paid	(15,000,000)
Profit for the year (*restated)	7,849,026
At 31 August 2021	29,217,247
Dividends paid	(20,000,000)
Profit for the year	8,532,877
At 31 August 2022	17,750,124

*The comparative information has been restated as the result of a change in accounting policy on Software as a Service (SaaS) arrangements, please refer to note 2 and note 27.

The two dividends paid during the year amount to £20,000,000 (2021: £15,000,000) and the dividend per share is £191 (2021: £143).

Liz Earle Beauty Co. Limited

Notes to the financial statements (continued) for the year ended 31 August 2022

24. Leases

The Company leases certain retail stores, warehouses, distribution centres, office space, land and equipment. The commencement date of all lease terms is the earlier of the date the Company becomes legally obligated to make rent payments or the date the Company has the right to control the property. With the adoption of IFRS 16 Leases effective 01 September 2019, all leases are now classified as finance leases except for short term leases less than twelve months.

	2022	2022	2022
Amounts recognised in the balance sheet	Land and Buildings	Others	Total
Right-of-use assets	£	£	£
Lease liabilities - current	262,600	—	262,600
Lease liabilities -non-current	999,888	—	999,888
Total lease liabilities	1,262,488	—	1,262,488

	2022	2022	2022
Amounts recognised in profit and loss	Land and Buildings	Others	Total
Right-of-use assets	£	£	£
Depreciation expense on right-of-use assets	274,107	—	274,107
Interest expense on lease liabilities	20,007	—	20,007
Expense related to short-term leases	—	70,923	70,923
	294,114	70,923	365,037

Other supplemental disclosures are as follows:

At the balance sheet date, the Company had outstanding commitments for future minimum lease payments under finance leases, which fall due as follows:

	2022	2022	2021	2021
	Land and Buildings	Other	Land and Buildings	Other
	£	£	£	£
Less than one year	275,002	9,322	315,585	7,550
Between one and five years inclusive	199,718	—	367,083	—
More than five years	—	—	—	—
	474,720	9,322	682,668	7,550

25. Retirement benefit schemes

Defined contribution schemes

The Company operates a defined contribution retirement benefit scheme for all qualifying employees which is provided externally by Scottish Widows. The total expense is charged to the profit and loss in the period ended 31 August 2022 and was for £350,272 (2021: £428,283). The total amount outstanding as relates to the defined contributions for year ended 31 August 2022 is £52,004 (2021: £64,634).

26. Related Parties

As a wholly owned subsidiary and qualifying entity, the Company has taken advantage of the exemption in FRS 101 "Related party disclosures" from disclosing transactions with other wholly owned members of the Group.

Notes to the financial statements (continued)
for the year ended 31 August 2022

27. Impact of change in accounting policy - Software as a Service (SaaS) arrangements

Further details of the impact of the restatement can be found in note 2.

Income statement for the year ended 31 August 2021			
	Reported	Impact of SaaS	Restated
	£	£	£
Revenue	55,085,265	—	55,085,265
Cost of sales	(17,552,219)	—	(17,552,219)
Gross profit	37,533,046	0	37,533,046
Distribution costs	(198,055)	0	(198,055)
Administrative expenses	(25,514,196)	(1,819,533)	(27,333,729)
Operating profit	11,820,795	(1,819,533)	10,001,262
Investment revenue	12,958	—	12,958
Finance costs	(12,314)	—	(12,314)
Profit on ordinary activities before tax	11,821,439	(1,819,533)	10,001,906
Tax	(2,152,880)	—	(2,152,880)
Profit for the year	9,668,559	(1,819,533)	7,849,026

Liz Earle Beauty Co. Limited

Notes to the financial statements (continued) for the year ended 31 August 2022

27. Impact of change in accounting policy - Software as a Service (SaaS) arrangements (continued)

Balance sheet for the year 31 August 2021	Reported £	Impact of SaaS £	Restated £
Assets			
Non-current assets			
Intangible assets	192,369	—	192,369
Property, plant and equipment	7,381,603	—	7,381,603
Right of use assets	1,222,191	—	1,222,191
Other receivables	1,819,533	(1,819,533)	—
Deferred tax assets	628,353	—	628,353
	11,244,049	(1,819,533)	9,424,516
Current assets			
Inventories	7,326,955	—	7,326,955
Trade and other receivables	26,715,584	—	26,715,584
Corporation tax assets	311,148	—	311,148
Cash and bank balances	464,278	—	464,278
	34,817,965	—	34,817,965
Total assets	46,062,014	(1,819,533)	44,242,481
Liabilities			
Current liabilities			
Corporation tax liabilities			
Trade and other payables	(11,086,330)	—	(11,086,330)
Lease liabilities - current (new IFRS 16 account)	(224,898)	—	(224,898)
Provisions	(205,898)	—	(205,898)
	(11,517,126)	—	(11,517,126)
Net current assets	23,300,839	—	23,300,839
Total assets less current liabilities	34,544,888	(1,819,533)	32,725,355
Non-current liabilities			
Deferred income	(71,148)	—	(71,148)
Lease liabilities - non-current (new IFRS 16 account)	(1,027,230)	—	(1,027,230)
Long term provisions	(374,975)	—	(374,975)
	(1,473,353)	—	(1,473,353)
Net assets	33,071,535	(1,819,533)	31,252,002
Equity			
Share capital	104,570	—	104,570
Share premium account	1,930,185	—	1,930,185
Retained earnings	31,036,780	(1,819,533)	29,217,247
Total Equity	33,071,535	(1,819,533)	31,252,002

28. Ultimate parent undertaking

At 31 August 2022, the Company's immediate parent company was Alliance Boots Holdings 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.

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