

Registration
Number
3467418

BOOTS INSURANCE SERVICES LIMITED

DIRECTORS' REPORT

and

FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2008

WEDNESDAY



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COMPANIES HOUSE

Registration
No: 3467418

BOOTS INSURANCE SERVICES LIMITED

Board of Directors

Year ended 31st March 2008

Directors

P Fussey

Alliance Boots (Nominees) Limited (formerly The Boots Company (Nominees) Limited)

Secretary

D Foster (appointed 5th April 2007)

S Fennell (resigned 5th April 2007)

Registered Office

1 Thane Road West

Nottingham, NG2 3AA

Registration
No: 3467418

BOOTS INSURANCE SERVICES LIMITED

Directors' Report

Year ended 31st March 2008

The directors present their annual report together with the audited financial statements for the year ended 31st March 2008.

Principal activities

During the year the company's principal activity was the provision of health and travel insurance products.

Review of the business

On 31st March 2008 the majority of the trade and assets of the company were transferred to Boots UK Limited and the company ceased trading.

Results and dividends

The results for the year are shown in the profit and loss account on page 6. The directors do not recommend payment of a dividend for the year (2007: £Nil).

Directors

The details of the directors in office on 31st March 2008 are shown on page 1. There have been no changes to the board of directors during the year and up to the date of signing the financial statements.

Remuneration of directors

Details of the remuneration of the directors are included in note 12 on page 15.

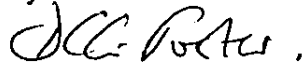
Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

Pursuant to a shareholders resolution, the company is not obliged to reappoint its auditors annually and KPMG Audit Plc will therefore continue in office.

By order of the board



D Foster
Secretary

5th December 2008
Date

BOOTS INSURANCE SERVICES LIMITED

Directors' Responsibilities Statement

Year ended 31st March 2008

Statement of Directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent Auditors' Report

Year ended 31st March 2008

Independent Auditors' Report to the members of Boots Insurance Services Limited

We have audited the financial statements of Boots Insurance Services Limited for the year ended 31st March 2008, which comprise the Profit and Loss Account, the Reconciliation of Movements in Shareholder's Funds, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent Auditors' Report

Year ended 31st March 2008

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31st March 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG Audit Plc

KPMG Audit Plc

Chartered Accountants

Registered Auditor

Birmingham

5 December 2008

Date

BOOTS INSURANCE SERVICES LIMITED**Profit and Loss Account**

Year ended 31st March 2008

	Notes	Discontinued 2008 £000	Discontinued 2007 £000
Turnover	1	2,370	1,878
Operating costs	2	(112)	(83)
Operating profit		2,258	1,795
Loss on sale of discontinued operations	3	(12)	-
Profit on ordinary activities before interest		2,246	1,795
Net interest receivable	4	268	174
Profit on ordinary activities before taxation		2,514	1,969
Tax on profit on ordinary activities	5	(758)	(577)
Profit on ordinary activities after taxation being profit for the financial year	10	1,756	1,392

The result for the year is wholly attributable to the discontinued operations of the company and there have been no recognised gains or losses in either the current or preceding year other than the profit as stated above.

BOOTS INSURANCE SERVICES LIMITED
Reconciliation of Movements in Shareholder's Funds
Year ended 31st March 2008

	2008 £000	2007 £000
Profit for the year attributable to shareholders	1,756	1,392
Net increase in shareholder's funds	1,756	1,392
Opening shareholder's funds	4,911	3,519
Closing shareholder's funds	6,667	4,911

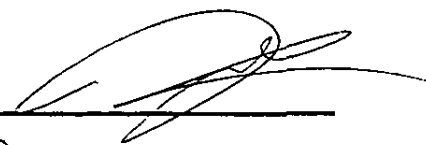
BOOTS INSURANCE SERVICES LIMITED

Balance Sheet

At 31st March 2008

	Notes	2008 £000	2007 £000
Fixed assets			
Tangible assets	6	-	41
Current assets			
Debtors falling due within one year	7	7,132	5,329
Debtors falling due after more than one year	7	-	14
		7,132	5,343
Cash at bank and in hand		-	407
		7,132	5,750
Creditors: Amounts falling due within one year	8	(465)	(880)
Net current assets		6,667	4,870
Total assets less current liabilities		6,667	4,911
Net assets		6,667	4,911
Capital and reserves			
Called up share capital	9,10	-	-
Profit and loss account	10	6,667	4,911
Shareholder's funds		6,667	4,911

The financial statements were approved by the Board of Directors on 5th December 2008 and are signed on its behalf by:


 P Fussey
 Director

BOOTS INSURANCE SERVICES LIMITED

Notes to the Financial Statements

Year ended 31st March 2008

1. Accounting policies

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

Basis of preparation

The financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice, and under the historical cost accounting rules.

Under FRS 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that Alliance Boots GmbH, a higher parent undertaking, includes the company's cash flows in its own published consolidated financial statements.

Turnover

Turnover comprises commission on sales of insurance policies. Consideration received from customers is only recorded as turnover when the company has completed full performance in respect of that consideration. Turnover arises wholly from the UK.

Depreciation

Depreciation of tangible fixed assets is provided to write-off the cost or valuation, less residual value, by equal instalments over their expected economic usefulness as follows:

- Plant and machinery, equipment, fixtures and fittings - depreciated over 3 to 20 years according to the estimated life of the asset.

Any impairment in the value of such fixed assets is recognised immediately.

Pensions

The company participates in the Boots Pension Scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company. The company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS17 'Retirement benefits', accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Additionally, Boots also operates two Stakeholder Pension Plans, which are defined contribution pension arrangements.

BOOTS INSURANCE SERVICES LIMITED

Notes to the Financial Statements

Year ended 31st March 2008

1. Accounting policies (continued)

Leases

Leases, for which the company assumes substantially all of the risks and rewards of ownership, are classified as finance leases. The cost of assets held under finance leases is included under tangible fixed assets and depreciation is provided in accordance with the policy for the class of asset concerned. The corresponding obligations under these leases are shown as creditors. The finance charge element of rentals is charged to the profit and loss account to produce, or approximate to, a constant periodic rate of charge on the remaining balance of the outstanding obligations.

Deferred taxation

Deferred tax is provided in respect of all timing differences that have originated, but not reversed, by the balance sheet date. Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws substantively enacted at the balance sheet date. This is in accordance with FRS 19. No provision is made for any potential liability to corporation tax on capital gains arising on disposals of assets where any liability is expected to be deferred indefinitely.

2. Operating costs	2008 £000	2007 £000
Selling, distribution and store costs	68	19
Administrative expenses	44	64
Operating costs	112	83

Operating profit shown on page 6 is after charging:

Depreciation of tangible fixed assets

- Owned assets	8	8
- Assets held under finance leases	4	4
Profit on disposal of tangible fixed assets	3	-

The audit fee was borne by a fellow group undertaking.

BOOTS INSURANCE SERVICES LIMITED**Notes to the Financial Statements**

Year ended 31st March 2008

3. Loss on sale of discontinued operations

The loss on disposal of discontinued operations relates to the transfer of the majority of the trade and assets of the company to Boots UK Limited on 31st March 2008. These have been treated as discontinued operations:

Disposals	2008 £000	2007 £000
Book value		
Tangible fixed assets	38	-
Stock	332	-
Creditors	(167)	-
Cash	271	-
Net assets disposed of	474	-
Loss on disposal	(12)	-
Total consideration settled through inter-company accounts	462	-

4. Interest receivable	2008 £000	2007 £000
Interest receivable and other similar income		
Interest receivable from group undertakings	254	146
Other interest	14	28
	268	174

BOOTS INSURANCE SERVICES LIMITED

Notes to the Financial Statements

Year ended 31st March 2008

5. Tax on profit on ordinary activities	2008 £000	2007 £000
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The tax charge on the profit for the year consists of:

Current taxation

UK corporation tax	744	588
Adjustment in respect of prior years	-	(14)
Total current tax	744	574

Deferred taxation

Origination and reversal of timing differences	14	3
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Tax on profit on ordinary activities	758	577
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Reconciliation of current tax charge

The standard rate of tax for the year, based on the UK standard rate of corporation tax, is 30% (2007: 30%). The actual tax charge for the current year and prior year is below the standard rate for the reasons set out in the following reconciliation.

	2008 £000	2007 £000
Profit on ordinary activities before tax	2,514	1,969
UK corporation tax at standard rate of 30%	754	591
Factors affecting charge for the year:		
Changes in accelerated capital allowances	(3)	(3)
Loss on disposal of business	4	-
UK transfer pricing adjustment	(11)	-
Adjustments in respect of prior years	-	(14)
Total current tax charge for the year	744	574

Factors affecting future tax charges:

The standard rate of corporation tax in the UK changed to 28% with effect from 1st April 2008.

BOOTS INSURANCE SERVICES LIMITED

Notes to the Financial Statements

Year ended 31st March 2008

6. Tangible fixed assets	Plant and machinery £000	Fixtures, Fittings, tools and equipment £000	Total £000
Cost			
At 1st April 2007	18	114	132
Additions	16	-	16
Disposals	-	(18)	(18)
Intra-group transfers	(34)	(96)	(130)
At 31st March 2008	-	-	-
Depreciation			
At 1st April 2007	9	82	91
Charge for year	4	8	12
Disposals	-	(11)	(11)
Intra-group transfers	(13)	(79)	(92)
At 31st March 2008	-	-	-
Net book value at 31st March 2007	9	32	41
Net book value at 31st March 2008	-	-	-

The cost of plant and machinery includes £nil (2007: £18,455) in respect of assets held under finance leases on which accumulated depreciation at the end of the year was £nil (2007: £8,522) and the depreciation charge in the year was £3,788 (2007: £3,788).

7. Debtors	2008 £000	2007 £000
Amounts falling due within one year:		
Trade debtors	-	191
Amounts owed by group undertakings	7,132	5,138
	7,132	5,329
Amounts falling due after more than one year:		
Deferred tax (see below)	-	14
Total debtors	7,132	5,343
Analysis of deferred tax asset:		
Capital allowances in excess of depreciation	-	14
		Deferred taxation £000
At 1st April 2007		14
Profit and loss account (note 4)		(14)
At 31st March 2008		-

BOOTS INSURANCE SERVICES LIMITED

Notes to the Financial Statements

Year ended 31st March 2008

8. Creditors: Amounts falling due within one year	2008 £000	2007 £000
Amounts due to group undertakings	-	454
Corporation tax	456	294
Other taxation and social security	9	97
Accruals and deferred income	-	35
	<u>465</u>	<u>880</u>

9. Called up share capital	2008 £	2007 £
Authorised:		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid:		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

10. Capital and reserves	Called up share capital £000	Profit and Loss Account £000	Total £000
At 1st April 2007	-	4,911	4,911
Profit for the year	-	1,756	1,756
At 31st March 2008	<u>-</u>	<u>6,667</u>	<u>6,667</u>

11. Staff numbers and costs	2008 Number	2007 Number
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The average number of full time equivalents employed by the company during the period was as follows:

<u>6</u>	<u>5</u>
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The employees provide a central function in the support of the company's principal activities.

The aggregated payroll cost was as follows:	2008 £000	2007 £000
Wages and salaries	136	114
Social security costs	10	10
Other pension costs	21	20
	<u>167</u>	<u>144</u>