

**Registration
Number
1313748**

MILLER AND SANTHOUSE LIMITED

DIRECTORS' REPORT

and

FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2007

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COMPANIES HOUSE

Registration
No: 1313748

MILLER AND SANTHOUSE LIMITED

Board of Directors

Year ended 31st March 2007

Directors

P Fussey
The Boots Company (Nominees) Limited

Secretary

S Fennell (resigned 5th April 2007)
D Foster (appointed 5th April 2007)

Registered Office

1 Thane Road West
Nottingham, NG2 3AA

Registration
No: 1313748

MILLER AND SANTHOUSE LIMITED

Board of Directors

Year ended 31st March 2007

The directors present their annual report together with the audited financial statements for the year ended 31st March 2007

Principal activities

The principal activity of the company is that of a property holding company

Profit 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 (2006 £Nil)

Directors

Details of directors in office on 31st March 2007 are shown on page 1. There have been the following changes to the board of directors during the year and up to the date of signing the financial statements

Appointments
P Fussey

Date
31st July 2006

Resignations
A R Gray

Date
18th October 2006


Remuneration of directors

Details of the remuneration of the directors are included in note 11 on page 12

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

By order of the board



D Foster
Secretary



Date

MILLER AND SANTHOUSE LIMITED

Directors' responsibilities statement

Year ended 31st March 2007

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 the directors 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 2007

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MILLER AND SANTHOUSE LIMITED

We have audited the financial statements of Miller and Santhouse Limited for the year ended 31st March 2007 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 2007


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 2007 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
Chartered Accountants
Registered Auditor
Birmingham


Date

MILLER AND SANTHOUSE LIMITED**Profit and Loss Account**

Year ended 31st March 2007

	Notes	2007 £000	2006 £000
Operating costs		1	-
Operating profit being profit on ordinary activities before interest		1	-
Interest receivable	2	212	201
Profit on ordinary activities before taxation	3	<u>213</u>	<u>201</u>
Tax on profit on ordinary activities	4	(64)	(69)
Profit for the year	10	<u>149</u>	<u>132</u>

The result for the year is wholly attributable to the continuing operations of the company and there is no material difference between the result as stated above and the result stated on an unmodified historical cost basis

There have been no recognised gains or losses other than the profit for the year as stated above

MILLER AND SANTHOUSE LIMITED
Reconciliation of Movements in Shareholder's Funds
Year ended 31st March 2007

	2007 £000	2006 £000
Profit for the financial year attributable to shareholders	149	132
Net increase in shareholder's funds	<u>149</u>	<u>132</u>
Opening shareholder's funds	5,453	5,321
Closing shareholder's funds	<u>5,602</u>	<u>5,453</u>

MILLER AND SANTHOUSE LIMITED

Balance Sheet

At 31st March 2007

	Notes	2007 £000	2006 £000
Current assets			
Debtors falling due less than one year	5	5,744	5,532
Current liabilities			
Creditors Amounts falling due within one year	6	(113)	(50)
Net current assets		<u>5,631</u>	<u>5,482</u>
Total assets less current liabilities		5,631	5,482
Creditors Amounts falling due after more than one year	7	(20)	(20)
Provisions for liabilities and charges	8	(9)	(9)
Net assets		<u>5,602</u>	<u>5,453</u>
Capital and reserves			
Called up share capital	9,10	404	404
Share premium account	10	10,935	10,935
Profit and loss account	10	(5,737)	(5,886)
Shareholder's funds		<u>5,602</u>	<u>5,453</u>

The financial statements were approved by the Board of Directors on
and are signed on its behalf by

18th June 2007

NEIL HENFREY
For & on behalf of
Director

The Boots Company (Nominees) Ltd

MILLER AND SANTHOUSE LIMITED

Notes to the Financial Statements

Year ended 31st March 2007

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 FRS1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that Alliance Boots plc, the company's ultimate parent undertaking includes the company in its own published consolidated financial statements

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 FRS19.

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. Interest receivable	2007 £000	2006 £000
Interest receivable from group undertakings	212	201
Total interest receivable	<u>212</u>	<u>201</u>

3. Profit on ordinary activities before taxation

The company has no employees in either year apart from the directors.
The audit fee was borne by a fellow group undertaking.

MILLER AND SANTHOUSE LIMITED

Notes to the Financial Statements

Year ended 31st March 2007

4. Tax on profit on ordinary activities	2007 £000	2006 £000
The charge on the profit for the year consists of:		
Current taxation		
UK corporation tax	64	60
Adjustment in respect of prior periods	(1)	-
Total current tax	63	60
Deferred tax		
Origination and reversal of timing differences	-	9
Adjustment in respect of prior periods	1	-
Tax on profit on ordinary activities	64	69

Reconciliation of current tax charge:

The standard rate of tax for the year, based on the UK standard rate of corporation tax, is 30% (2006 30%) The actual tax charge for the current year is lower than the standard rate (2006 same) for the reasons set out in the following reconciliation

	2007 £000	2006 £000
Profit on ordinary activities before tax	213	201
Tax on profit on ordinary activities at 30% (2006 30%)	64	60
Factors affecting charge for the year		
Adjustment in respect of prior year	(1)	-
Total current tax charge for the year	63	60

Factors that may affect future current and total tax charge:

On 21st March 2007 in its annual Budget statement, the British Government made certain announcements regarding corporation tax that will affect the company if and when passed into law These announcements included a proposed reduction in the standard rate of UK corporation tax to 28% from 1st April 2008

Under FRS 19, deferred taxation is provided in the balance sheet at the tax rate that is expected to be enacted or substantively enacted at the time it will reverse Any timing differences which reverse before 1st April 2008 will be taxed or relieved at 30%, any timing differences that reverse after that date will reverse at 28% Because of the inherent uncertainty as to when deferred tax will reverse it is not possible to quantify the full financial impact of the proposed change

MILLER AND SANTHOUSE LIMITED

Notes to the Financial Statements

Year ended 31st March 2007

5. Debtors	2007 £000	2006 £000
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Falling due less than one year:

Amounts owed by group undertakings

5,744	5,532
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6. Creditors: Amounts falling due within one year	2007 £000	2006 £000
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Amounts due to group undertakings

72	-
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Corporation tax

32	40
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Other creditors

9	10
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113	50
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7. Creditors: Amounts falling due after more than one year	2007 £000	2006 £000
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Other creditors

20	20
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8. Provisions for liabilities and charges	Deferred taxation £000
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As at 1st April 2006

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Profit and loss account (note 4)

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At 31st March 2007

9

	2007 £000	2006 £000
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Analysis of deferred tax liability:

Other timing differences

9	9
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MILLER AND SANTHOUSE LIMITED

Notes to the Financial Statements

Year ended 31st March 2007

9. Called up share capital	2007 £000	2006 £000
Authorised 10,908,000 ordinary shares of 5p each	545	545
Allotted, called up and fully paid 8,082,373 ordinary shares of 5p each	404	404

10. Share Capital and Reserves	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total £000
As at 1st April 2006	404	10,935	(5,886)	5,453
Profit for the year	-	-	149	149
As at 31st March 2007	404	10,935	(5,737)	5,602

11. Directors' remuneration

No director has received or waived any remuneration for his services to the company during the year (2006 £Nil)

12. Ultimate holding company

The company's immediate holding company (which is also the immediate controlling party) is The Boots Company PLC and its ultimate holding company (which is also the ultimate controlling party) is Alliance Boots plc, a company incorporated in Great Britain and registered in England and Wales. The results of the company are included in the group financial statements of Alliance Boots plc.

Copies of the group financial statements may be obtained from Sedley Place, 4th Floor, 361 Oxford Street, London, W1C 2JL, UK.

As a wholly owned subsidiary of Alliance Boots plc, the Company is exempt from disclosing transactions with other group undertakings and investees of the group qualifying as related parties as permitted by paragraph 3 of the Financial Reporting Standard 8.

On 31st July 2006 Boots Group PLC acquired 100% of the ordinary shares of Alliance UniChem Plc ("Alliance UniChem") by means of a scheme of arrangement between Alliance UniChem and its shareholders. The scheme of arrangement was achieved by cancelling Alliance UniChem shares and issuing new shares in Boots Group PLC to existing Alliance UniChem shareholders under a fixed share ratio of 1 332 Boots Group shares for each Alliance UniChem share. On completion of the transaction Boots Group PLC was renamed Alliance Boots plc.