



INTERNATIONAL PHARMACEUTICALS & HEALTHCARE

2 Cornwall Street
Birmingham
B3 2DL

27th February 2009

Dear Sirs

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SATURDAY



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ARR067RW

28/02/2009

COMPANIES HOUSE

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英商博姿國際股份有限公司 (台灣分公司)

Boots Retail (Taiwan) Ltd

台北市忠孝東路四段285號11樓
11F, No. 285, Chung Hsiao E. Road,
Sec. 4, Taipei, Taiwan, R.O.C.
TEL: (886)-2-8772 2239
FAX: (886)-2-8772 1504

This representation letter is provided in connection with your audit of the financial statements of Boots Retail (Taiwan) Limited ("the Company"), for the purpose of expressing an opinion as to whether these financial statements give a true and fair view of the financial position of Boots Retail (Taiwan) Limited and of its financial performance in accordance with UK Generally Accepted Accounting Practice. These financial statements comprise the balance sheet as at 31 March 2008, and the profit and loss account, statement of total recognised gains and losses and the reconciliation of movements in shareholder's funds for the year then ended, and a summary of significant accounting policies and other explanatory notes.

We acknowledge as directors our responsibilities under the Companies Act 1985 for preparing financial statements which give a true and fair view of the Company.

We also acknowledge as directors our responsibilities under the Companies Act 1985 for making accurate representations to you and for ensuring that there is no relevant audit information that you are unaware of.

The Board approves the financial statements.

The Board understands that auditing standards require you to obtain representations from directors on matters that are material to your opinion. The Board understands that omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions of users taken on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor.

The Board has made appropriate inquiries of directors and officers of the Company with the relevant knowledge and experience. Accordingly, the Board confirms, to the best of its knowledge and belief, the following representations:

1. The financial statements referred to above, which have been prepared on a break up basis, give a true and fair view in accordance with UK Generally Accepted Accounting Practice.
2. All the accounting records have been made available to you for the purpose of your audit, and the full effect of all the transactions undertaken by the company have been properly reflected and recorded in the accounting records in accordance with agreements, including side agreements, amendments and oral agreements. All other records and related information, including minutes of all management, Board and shareholders meetings and, when applicable, summaries of actions of meetings held after period end for which minutes have not yet been prepared, have been made available to you.
3. The Board is not aware of any known actual or possible non-compliance with laws and regulations that could have a material effect on the ability of the Company to conduct its business and therefore on the results and financial position to be disclosed in the financial statements for the year ended 31 March 2008.



INTERNATIONAL BEAUTY & HEALTHCARE

英商博姿國際股份有限公司 (台灣分公司)
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- (a) understands that the term “fraud” includes misstatements resulting from fraudulent financial reporting and misstatements resulting from misappropriation of assets. Misstatements resulting from fraudulent financial reporting involve intentional misstatements including omissions of amounts or disclosures in the financial statements to deceive financial statement users. Misstatements resulting from misappropriation of assets involve the theft of an entity’s assets, often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorisation.
 - (b) acknowledges responsibility for the design and implementation of internal control to prevent and detect fraud and error.
 - (c) has disclosed to you its knowledge of fraud or suspected fraud affecting the Company involving:
 - management and those charged with governance;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements.
 - (d) has disclosed to you its knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, analysts, regulators or others.
 - (e) has disclosed to you the results of its assessment of the risk that the financial statements may be materially misstated as a result of fraud.
5. The Board confirms the completeness of the information provided to you regarding the identification of related parties and regarding transactions with such parties that are material to the financial statements. The identity of, and balances and transactions with, related parties have been properly recorded and when appropriate, adequately disclosed in the notes to the financial statements. The Board is not aware of any other such matters required to be disclosed in the financial statements, whether under FRS 8 *Related party disclosures* or other requirements. Included in Appendix A to this letter are the definitions of both a related party and a related party transaction as the Board understands them and as defined in FRS 8.
6. Presentation and disclosure of the fair value measurements of material assets, liabilities and components of equity are in accordance with UK Generally Accepted Accounting Practice. The amounts disclosed represent the Board’s best estimate of fair value of assets and liabilities required to be disclosed by these standards. The measurement methods and significant assumptions used in determining fair value have been applied on a consistent basis, are reasonable and such assumptions appropriately reflect the Board’s intent and ability to carry out specific courses of action on behalf of the Company where relevant to the fair value measurements or disclosures on a break up basis.
7. The Board has recorded or disclosed, as appropriate, all liabilities, both actual and contingent. There are no guarantees given to third parties.
8. The estimated financial effect of pending or threatened litigation and claims against the Company has been properly recorded and/or disclosed in the financial statements. Except as disclosed in the notes to the financial statements, the Board is not aware of any additional claims that have been or are expected to be received.
9. Except as disclosed in the financial statements or notes thereto there are no:



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INTERNATIONAL (a) ~~BEAUTY & HEALTHCARE~~ other gain or loss contingencies or other liabilities that are required to be recognised or disclosed in the financial statements, including liabilities or contingencies arising from environmental matters resulting from illegal or possibly illegal acts, or possible violations of human rights legislation; or

(b) other environmental matters that may have a material impact on the financial statements.

10. The Board confirms that:

- a) The financial statements disclose all of the key risk factors and assumptions made regarding the Board's plans, as required to give a true and fair view and to comply with FRS 18.
- b) The uncertainties disclosed are material ones that may cast significant doubt on the company's ability to realise the value of assets or liabilities quoted on the balance sheet.
- c) The Board confirms that the attached schedule contains their plans for future action.

Note relating to activity between March 2008 (accounting records date) and date of signing formal accounts in February 2009.

The board of Boots Retail (Taiwan) Limited confirms that as at March 2008 it had already served notice on the only active customer in this market, and as such the accounts were on break up basis rather than that of a going concern.

Since the end of March we have concluded all trade with this single customer and settled nearly all outstanding 3rd party commercial debts and recovered nearly all 3rd party recoverable items. The Directors remain comfortable that the level of exit provisions held provide a reliable estimate of the outstanding liabilities of the company

The team in Taiwan has been fully removed and all offices and other costs now closed.

The company is resolving it's final Alliance Boots group inter company balances before making a final decision on whether to retain the company as a dormant entity, recognising we continue to review global expansion options, or to liquidate the entity. As this decision has not yet been finalized the directors consider that preparation of the financial statements on a break up basis is most appropriate.

This letter was tabled and agreed at the meeting of the Board of Directors on 27th February 2009

Yours truly,

[Chairman]

[Secretary]



INTERNATIONAL BEAUTY & HEALTHCARE

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INTERNATIONAL BEAUTY & HEALTHCARE
Appendix A to the Management Representation Letter of Boots Retail (Taiwan) Limited

Definitions

- A. Two or more parties are related parties when at any time during the financial period:
- (i) One party has either direct or indirect control of the other party; or
 - (ii) the parties are subject to common control from the same source; or
 - (iii) one party has influence over the financial and operating policies of the other party to an extent that that other party might be inhibited from pursuing at all times its own separate interests; or
 - (iv) the parties, in entering a transaction, are subject to influence from the same source to such an extent that one of the parties to the transaction has subordinated its own separate interests.
- B. For the avoidance of doubt, the following are related parties of the reporting entity:
- (i) its ultimate and intermediate parent undertakings, subsidiary undertakings, and fellow subsidiary undertakings;
 - (ii) its associates and joint ventures;
 - (iii) the investor or venturer in respect of which the reporting entity is an associate or a joint venture;
 - (iv) directors¹ of the reporting entity and the directors of its ultimate and intermediate parent undertakings; and
 - (v) pension funds for the benefit of employees of the reporting entity or of any entity that is a related party of the reporting entity.
- C. The following are presumed to be related parties of the reporting entity unless it can be demonstrated that neither party has influenced the financial and operating policies of the other in such a way as to inhibit the pursuit of separate interests:
- (i) the key management of the reporting entity and the key management of its parent undertaking or undertakings;
 - (ii) a person owning or able to exercise control over 20 per cent or more of the voting rights of the reporting entity, whether directly or through nominees;
 - (iii) each person acting in concert in such a way as to be able to exercise control or influence over the reporting entity; and
 - (iv) an entity managing or managed by the reporting entity under a management contract.
- D. Additionally, because of their relationship with certain parties that are, or are presumed to be, related parties of the reporting entity, the following are also presumed to be related parties of the reporting entity:
- (i) members of the close family of any individual falling under parties mentioned above in A to C; and
 - (ii) partnerships, companies, trusts or other entities in which any individual or member of the close family in A to C above has a controlling interest.

¹ Directors include shadow directors, which are defined in companies legislation as persons in accordance with whose directions or instructions the directors of the company are accustomed to act.



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Registration
Number
3883555

BOOTS RETAIL (TAIWAN) LIMITED

DIRECTORS' REPORT

and

FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2008

SATURDAY



ARR077RX

A10

28/02/2009

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COMPANIES HOUSE



INTERNATIONAL BEAUTY & HEALTHCARE **BOOTS RETAIL (TAIWAN) LIMITED**

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Directors' Report

Year ended 31st March 2008

Directors

W A C Cotton (resigned 29th Sept 2007)
M P Waters (resigned 29th Feb 2008)
Alex Salden (appointed 25th Mar 2008)
Andrew Wilkinson (appointed 28th Sept 2007)
Lauren Brindley (appointed 29th Feb 2008)

Secretary

D Foster

Registered Office

1 Thane Road West
Nottingham,
NG2 3AA

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

Principal activities

The principal activity of the company is the sale of Boots branded products in Taiwan.

Review of business

In March 2007 it was announced that the Taiwan operation would be closed. Assets have been written down and it is expected that trading will cease during the second quarter of 2008. As the directors intend to liquidate the company following the settlement of the remaining net liabilities, they have not prepared the financial statements on a going concern basis. The effect of this is explained in note 4.

As a result turnover is down 24% to £2,035,000 from prior year reflecting the planned exit from the Taiwan market. Overhead costs are at a significantly reduced level with prior year reflecting the market exit, resulting in an operating loss of £184,000 in the year.

Donations

As at the 31st March 2008 the company had made no charitable donations and no political donations during the current or preceding year

Results and dividends

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

Directors

The details of directors in office on 31st March 2008 are shown above.

Remuneration of directors

Details of the remuneration of the directors are included in note 14 on page 17.



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Directors' Report

Year ended 31st March 2008

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

A handwritten signature in dark ink, appearing to read "D Foster", is written over a horizontal line.

D Foster
Secretary

27/02/2009
Date



INTERNATIONAL BEAUTY & HEALTHCARE

BOOTS RETAIL (TAIWAN) LIMITED

Directors' Responsibilities Statement

Year ended 31st March 2008

英商博姿國際股份有限公司 (台灣分公司)

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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.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. As explained in note 1, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis

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.



INTERNATIONAL BEAUTY & HEALTHCARE

Independent Auditors' Report

Year ended 31st March 2008

英商博姿國際股份有限公司 (台灣分公司)

Boots Retail (Taiwan) Ltd

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Independent Auditors' Report to the members of Boots Retail (Taiwan) Limited

We have audited the financial statements of Boots Retail (Taiwan) Limited for the year ended 31 March 2008 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Reconciliation of Movements in Shareholders Funds, the Balance Sheet and the related notes. These financial statements have not been prepared on the going concern basis for the reason set out in note 1 to the financial statements but 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

27 February 2009

Date



INTERNATIONAL BEAUTY & HEALTHCARE

BOOTS RETAIL (TAIWAN) LIMITED**Profit and Loss Account**

Year ended 31st March 2008

英商博姿國際股份有限公司 (台灣分公司)

Boots Retail (Taiwan) Ltd

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	Notes	2008 £000	2007 £000
Turnover	2	2,035	2,677
Cost of sales		(889)	(1,629)
Gross profit		1,146	1,048
Operating costs	3	(1,330)	(2,005)
Operating loss		(184)	(957)
Costs of a fundamental restructuring	4	693	(2,965)
Profit / (Loss) on ordinary activities before interest		509	(3,922)
Net interest receivable / (payable)	5	2	(546)
Profit / (Loss) on ordinary activities before taxation		511	(4,468)
Tax on profit / (loss) on ordinary activities	6	480	604
Profit / (Loss) on ordinary activities after taxation and profit / (loss) for the financial year	12	991	(3,864)

The result for the year is wholly attributable to the discontinued operations of the company.

There is no material difference between the loss as stated above and the loss stated on an unmodified historical cost basis.



INTERNATIONAL BEAUTY & HEALTHCARE

BOOTS RETAIL (TAIWAN) LIMITED

Other Primary Statements

Year ended 31st March 2008

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Statement of Total Recognised Gains and Losses	2008 £000	2007 £000
Profit / (Loss) for the financial year attributable to shareholders	991	(3,864)
Net currency adjustments	(88)	1,233
Total recognised gains and losses for the year	903	(2,631)

Reconciliation of Movements in Shareholder's Funds	2008 £000	2007 £000
Total recognised gains and losses for the year	903	(2,631)
Share capital issued	-	11,246
Net decrease in shareholder's deficit	903	8,615
Opening shareholder's deficit	(1,861)	(10,476)
Closing shareholder's deficit	(958)	(1,861)



INTERNATIONAL BEAUTY & HEALTHCARE

BOOTS RETAIL (TAIWAN) LIMITED

Balance Sheet

At 31st March 2008

英商博姿國際股份有限公司 (台灣分公司)

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	Notes	2008 £000	2007 £000
Current assets			
Tangible assets	7	-	45
Stocks	8	25	194
Debtors falling due within one year	9	1,195	1,656
Cash at bank and in hand		570	825
		<u>1,790</u>	<u>2,720</u>
Creditors: Amounts falling due within one year	10	(2,748)	(4,581)
Net liabilities		<u>(958)</u>	<u>(1,861)</u>
Capital and reserves			
Called up share capital	11,12	11,246	11,246
Profit and loss account	12	(12,204)	(13,107)
Shareholder's deficit		<u>(958)</u>	<u>(1,861)</u>

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

27/02/09

A.S.Will

Director



INTERNATIONAL BEAUTY & HEALTHCARE

BOOTS RETAIL (TAIWAN) LIMITED

Notes to the Financial Statements

Year ended 31st March 2008

英商博姿國際股份有限公司 (台灣分公司)

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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 AB Acquisitions Holdings Limited, the company's ultimate parent undertaking includes the company's cash flows in its own published consolidated financial statements.

During the previous financial year the directors announced their intention to close the Taiwan operation. It is expected that trading will cease in Quarter 2 of 2008 and management intend to liquidate the company following the settlement of the remaining net liabilities. On this basis the financial statements have not been prepared on a going concern basis, but on the break up basis under which all assets and liabilities are stated at the value they will realise or require for settlement on cessation of trading.

These financial statements are presented in sterling, however the company's functional currency is New Taiwanese Dollar as this is where the majority of its operations are based.

Foreign currencies

Assets and liabilities in foreign currencies are translated at the rate of exchange ruling at the balance sheet date and any profits or losses arising from this translation are taken through the statement of total recognised gains and losses. Profits and losses arising from changes in exchange rates in the normal course of trading are taken to the profit and loss account.

Fixed assets and depreciation

Tangible fixed assets have been written down to their recoverable amount as at 31st March 2008. Previously tangible fixed assets have been written off to residual value by equal instalments over their remaining expected lives, as follows:

Computer equipment	3 to 5 years
Fixtures and plant	4 to 5 years

Any impairment in the value of fixed assets is charged to the profit and loss account as it arises.



INTERNATIONAL BEAUTY & HEALTHCARE

BOOTS RETAIL (TAIWAN) LIMITED

Notes to the Financial Statements

Year ended 31st March 2008

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1. Accounting policies (continued)

Deferred tax

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.

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.

Stock

Stock is valued at the lower of cost and net realisable value. Cost comprises purchase cost of goods and costs related to distribution.

Pensions

The Company contributes to a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charge to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Additionally the Company also 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 reliable basis and therefore, as required by FRS17 'Retirement benefits', accounts for the scheme as if it were a defined contributions scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the account period.

Leases

The rental costs of properties and other assets acquired under operating leases are charged to the profit and loss account on a straight-line basis over the life of the lease.

2. Turnover

Turnover comprises sales to external customers (excluding value added tax). Consideration received from customers is recorded as turnover net of appropriate provisions for returns when the company has completed full performance in respect of that consideration, and when the risks and rewards of ownership are deemed to have been transferred. The directors consider that the point of transfer is at the point of local delivery.

	2008	2007
	£000	£000

Turnover by geographical destination is as follows:

Taiwan	2,035	2,677
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INTERNATIONAL BEAUTY & HEALTHCARE

BOOTS RETAIL (TAIWAN) LIMITED**Notes to the Financial Statements**

Year ended 31st March 2008

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3. Operating costs	2008	2007
	£000	£000
Selling, distribution and store costs	86	469
Administrative expenses	1,244	1,536
Operating costs	1,330	2,005
Profit before interest is after charging:		
Operating lease rentals	27	29
Depreciation of tangible fixed assets – owned assets	44	65
Impairment losses on tangible fixed assets	-	155
Auditors' remuneration: - Audit fees	10	18

4. Exceptional items

The costs of restructuring arose in respect of the write down of assets to their recoverable amount following the announcement to close the operation in March 2007.

The write-down of assets and creditors in 2007 was as follows:

	2007
	£000
Stock	(582)
Fixed assets	(155)
Debtors	(166)
Creditors	(2,062)
	(2,965)

During 2008 the remaining restructuring provisions were utilised as follows:

	2008
	£000
Balance as at 1 st April 2007	(2,965)
Utilisations	1,107
Releases	693
Currency Adjustment	(218)
Remaining restructuring provision	(1,383)

Amounts released during the year relate to settlement of exit agreements with key customers and suppliers at a lower rate than previously anticipated.



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Boots Retail (Taiwan) Ltd

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The remaining restructuring provision is held as follows:

	2008 £000
Stock	(101)
Fixed Assets	-
Debtors	-
Creditors	(1,283)
Remaining restructuring provision	<u>(1,383)</u>

The effect of the exceptional items reported after operating profit on the amounts charged to the profit and loss account for taxation was to increase the charge (2007: decrease) to the profit and loss by £207,900 (2007: £890,000).

5. Net interest receivable / (payable)	2008 £000	2007 £000
Interest receivable and similar income:		
From short-term deposits	1	1
Interest received from group undertakings	1	6
	<u>2</u>	<u>7</u>
Interest payable and similar charges:		
Interest payable to group undertakings	-	(553)
Net interest receivable / (payable)	<u>2</u>	<u>(546)</u>

6. Tax on loss on ordinary activities	2008 £000	2007 £000
The tax credit on the profit for the year consists of:		
UK corporation tax credit for the year	72	82
Prior year adjustments	1,086	-
Total current tax credit for the year	<u>1,158</u>	<u>82</u>
Deferred taxation		
Origination and reversal of timing differences	(678)	522
Tax credit on profit on ordinary activities	<u>480</u>	<u>604</u>



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Reconciliation of current tax credit

The UK standard rate of corporation tax credit for the year is 30% (2007: 30%). The actual tax credit for the current and previous year is different to the standard rate for the reasons set out in the following reconciliation:

	2008 £000	2007 £000
Profit / (Loss) on ordinary activities before tax	511	(4,468)
UK standard rate of corporation tax at 30% (2007: 30%)	(153)	1,340
Factors affecting charge for the year:		
Movement in Capital Allowances	46	-
Movement in general provisions	69	
Disallowable expenses	-	(1,258)
Group relief for nil payment	110	-
Prior year adjustments	1,086	-
Total current tax credit for the year	1,158	82

Factors that may affect future current and total tax charge

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



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7. Tangible fixed assets		Computer equipment, fixtures and plant £000
Cost		
At 1st April 2007		848
Disposals		(10)
Currency adjustments		63
At 31st March 2008		901
Depreciation		
At 1st April 2007		803
Charge for the year		44
Disposals		(8)
Currency adjustments		62
At 31st March 2008		901
Net book value		
At 31st March 2007		45
At 31st March 2008		-
<hr/>		
8. Stock	2008	2007
	£000	£000
Finished goods and goods for resale	25	194



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9. Debtors	2008	2007
	£000	£000
Falling due within one year:		
Trade debtors	1,068	926
Amounts owed by group undertakings	-	13
Other debtors	50	36
Other taxation	52	-
Corporation tax	25	-
Deferred tax asset (see below)	-	681
	1,195	1,656
	2008	2007
	£000	£000
Analysis of deferred taxation debtor:		
Accelerated capital allowances	-	681
	2008	2007
	£000	£000
10. Creditors: Amounts falling due within one year	2008	2007
	£000	£000
Trade creditors	358	584
Amounts due to group undertakings	899	1,568
Corporation tax	-	20
Other tax and social security	95	88
Other creditors	-	2,140
Accruals and deferred income	1,396	181
	2,748	4,581
11. Called up share capital	2008	2007
	£000	£000
Authorised:		
200,000,000 ordinary shares of £1 each	200,000	200,000
Allotted, called up and fully paid:		
11,245,913 ordinary shares of £1 each	11,246	11,246



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12. Share capital and reserves	Share capital £000	Profit and loss account £000	Total £000
At 1st April 2007	11,246	(13,107)	(1,861)
Currency adjustments	-	(88)	(88)
Profit for the year	-	991	991
As 31st March 2008	11,246	(12,204)	(958)

13. Staff numbers and costs	2008 Number	2007 Number
The average number of full time equivalents employed by the company during the year was:	13	18

	2008 £000	2007 £000
The aggregated payroll cost was as follows:		
Wages and salaries	517	793
Other Social Security Costs	36	-
Other pension costs	24	37
	577	830



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14. Directors' remuneration	2008 £000	2007 £000
i) Directors' emoluments for services to the company	169	244
ii) Monies received from long term bonus schemes	-	-
iii) (a) The remuneration of the highest paid director, excluding pension contributions	154	244
(b) (i) Increase in accrued pension during the year, including inflation	11	3
(ii) Accumulated total accrued pension at year end	51	40

	2008	2007
iv) Number of directors who are members of defined benefit pension schemes	2	1
v) Number of directors who have exercised options during the year (who are not directors of the ultimate holding company)	-	-

15. Commitments	2008 £000	2007 £000
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Annual commitments under operating leases for land and buildings are as follows:

Expiring:

Within one year

Within two to five years

8	26
-	6
<u>8</u>	<u>32</u>



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16. Ultimate holding company

At 31 March 2008 the company's immediate parent company was The Boots Company plc and its ultimate parent company and controlling party was AB Acquisitions Holdings Limited. AB Acquisitions Holdings Limited is also the parent undertaking of the largest group in which the company is consolidated.

AB Acquisitions Holdings Limited is incorporated in Gibraltar, and its registered office is 57/63 Line Wall Road, Gibraltar. AB Acquisitions Holdings Limited is jointly controlled by certain funds advised by Kohlberg Kravis Roberts & Co. L.P. and Alliance Santé Participations S.A., a company indirectly wholly owned by S. Pessina.

The smallest group in which the results of the company are consolidated is that headed by Alliance Boots GmbH, a company incorporated in Switzerland. The consolidated financial statements of this group are available from the Alliance Boots website at www.allianceboots.com.