Company registration number 286222

E Moss Limited
Directors' report and financial statements
for the year ended 31 March 2011

Contents

E Moss Limited

Directors' report
for the year ended 31 March 2011

The Directors present their report and the audited financial statements for the year ended 31 March 2011

Principal activities
The Company's principal activity during the year was pharmacy-led health and beauty retailing

Business review
Turnover decreased by 73 5% (2010 66 6%) to £4 3 million (2010 £16 2 million) Operating profit increased by 170% (2010 decreased by 105 9%) to £1 6 million (2010 a loss of £0 1 million)

The Company's retained profit for the financial year was £2 2 million (2010 £4 2 million)

During the year the trade and assets of 1 pharmacy was sold to Boots UK Limited, a fellow Group undertaking The Company also disposed of 3 pharmacies during the year, leaving 1 pharmacy in operation at 31 March 2011 On 1 July 2010 all employees were transferred to Boots Management Services Limited, a fellow Group undertaking

There have been no significant events since the balance sheet date which should be considered for a proper understanding of these financial statements

Risk management
Our approach is to identify, monitor and assess all significant risks and take steps, where necessary, to mitigate them

The Group's risk management process
The executive Directors and the Director of Internal Audit & Risk Management continue to play the leading role, monitoring the overall risk profile and regularly reporting to the Board through the audit committee The process of risk identification is facilitated by the use of risk registers for Alliance Boots, and for each business In addition, the Board through the executive Directors is responsible for determining clear policies as to what Alliance Boots considers to be acceptable levels of risk These policies seek to enable employees to use their expertise to identify risks that could undermine performance and to devise ways of bringing them to within acceptable levels

Where we identify risks that are not acceptable, we 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

The risks the Company faces

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

The Company could be adversely affected by changes to licensing regimes for pharmacies, prescription processing regimes or reimbursement arrangements

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 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 market position in pharmacy-led health and beauty retailing in the UK, backed by differentiated brands and expert customer service

Competition
Risk
Changes in market dynamics or actions of competitors or manufacturers could adversely impact the Company The Company has a wide variety of competitors, including other pharmacies, supermarkets and department stores

Mitigation
The Company's strategy is to capitalise on the potential and strength of its leading brands and the trust in which they are held, and to build strong relationships with customers and suppliers

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 the necessary lessons Any major incident is promptly reported to and investigated by the Group's Health & Safety committee

E Moss Limited

Directors' report
for the year ended 31 March 2011

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 allowing the infiltration of counterfeit products into the supply chain, errors in re-labelling of products and contamination or product mishandling issues Through its pharmacies, the Company is exposed to risks relating to the professional services it provides

Mitigation
The Company has robust purchasing, well developed contractual controls in relation to suppliers and a cohesive product control framework This includes specific controls for the identification of counterfeit product The Company has a rigorous governance framework in place in its pharmacies and the Company conducts regular dispensing compliance reviews to ensure that individual pharmacies follow approved processes

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 sophisticated procurement techniques to purchase goods and services on a national and international basis The Company carefully controls operating costs such as payroll [and has a 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

Financial instruments

The Company is exposed to currency, credit and interest rate risk 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 Review, which does not form part of this report

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 was accidentally or maliciously lost

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

Dividends
An interim dividend of £Nil (2010 £38 4 million) was declared and paid in the year

Directors
The following served as Directors during the year

C D Aylward
P D Kennerley
M F Muller

Auditors
Pursuant to Section 487 of the Companies Act 2006, the auditors were deemed to be reappointed and KPMG Audit Plc therefore continue in office

E Moss Limited

Directors' report
for the year ended 31 March 2011

Statement as to 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 they ought to have taken as a Director to make themselves 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
Company Secretary

30 June 2011

Registered office
1 Thane Road West
Nottingham
NG2 3AA

Registered in England and Wales No 286222

E Moss Limited

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

for the year ended 31 March 2011

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)

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 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 auditor's report

to the members of E Moss Limited

We have audited the financial statements of E Moss Limited for the year ended 31 March 2011 set out on pages 6 to 15 The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice)

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

Respective responsibilities of Directors and auditor
As explained more fully in the Directors' responsibilities statement set out on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements
A description of the scope of an audit of financial statements is provided on the APB's web-site at www frc org uk/apb/scope/private cfm

Opinion on financial statements
In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 March 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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

S Haydn-Jones (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor

Chartered Accountants
One Snowhill
Snowhill Queensway
Birmingham, B4 6GH

30 June 2011

E Moss Limited

Profit and loss account

for the year ended 31 March 2011

	Notes	2011 £million	2010 £million
Turnover	2		
Continuing operations		4 3	9 7
Discontinued operations		-	6 5
		4 3	16 2
Operating profit/(loss)	2		
Continuing operations		1 6	(1 1)
Discontinued operations		-	(0 2)
		1 6	(1 3)
Profit on disposal of fixed assets		-	1 2
Profit on disposal of discontinued operations		0 4	3 2
Profit on disposal of fixed asset investments		0 2	-
Income from shares in Group undertakings		-	23 1
Amounts written off investments		-	(22 6)
Interest receivable and similar income	5	0 8	0 2
Interest payable and similar charges	6	(0 3)	(0 4)
Profit on ordinary activities before taxation		2 7	3 4
Tax on profit on ordinary activities	7	(0 5)	0 8
Profit for the financial year		2 2	4 2

There were no recognised gains and losses for the current and preceding financial years other than the profit of £2 2 million (2010 £4 2 million) shown above Accordingly, no statement of recognised gains and losses is presented

There is no difference between the reported profit shown above and the profit for the year restated on an historical cost basis Accordingly, no note of historical cost profits is presented

The notes on pages 8 to 15 form part of the Company's financial statements

E Moss Limited

Balance sheet
as at 31 March 2011

	Notes	2011 £million	2010 £million
Fixed assets			
Tangible assets	9	6 9	7 3
Intangible assets	10	0 6	1 3
Investments	11	1 5	22 5
		9 0	31 1
Current assets			
Stocks	12	0 3	0 3
Debtors including £0 1 million due after more than one year (2010 £2 2 million)	13	278 6	265 4
Cash at bank and in hand		-	0 2
			265 9
Creditors amounts falling due within one year	14	(13 2)	(24 2)
Net current assets		265 7	241 7
Total assets less current liabilities		274 7	272 8
Creditors amounts falling due after more than one year	15	(7 1)	(7 1)
Provisions for liabilities and charges	16	(1 3)	(1 6)
Net assets		266 3	264 1
Capital and reserves			
Called up share capital	18,19	243 9	243 9
Share premium account	19	15 0	15 0
Revaluation reserve	19	0 1	0 1
Profit and loss account	19	7 3	5 1
Shareholders' funds		266 3	264 1

The notes on pages 8 to 15 form part of the Company's financial statements

These financial statements were approved by the Board on 30 June 2011 and were signed on its behalf by

M F Muller
Director

Registered in England and Wales No 286222

E Moss Limited

Notes to the financial statements (continued)
for the year ended 31 March 2011

1 Accounting policies

The principal accounting policies applied in the preparation of these Financial Statements are set out below

Basis of preparation
The financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice, and under the historical cost convention

AB Acquisitions Holdings Limited ('ABAHL'), the ultimate parent undertaking, includes the Company's assets, liabilities and results in its own publicly-available consolidated financial statements Under FRS 1 (Revised 1996), 'Cash flow statements', the Company is therefore exempt from the requirement to prepare a cash flow statement In addition, under SSAP 25, 'Segmental Reporting', the Company is exempt from the requirement to present segmental information on the grounds that Alliance Boots GmbH includes segmental information in its own publicly-available consolidated financial statements in compliance with IFRS 8, 'Operating Segments'

The Company's voting rights are wholly controlled within the Group and, consequently, the Company is exempt under FRS 8, 'Related party Disclosures', from disclosing transactions with entities that are part of the Group or investees of the Group qualifying as related parties The Company also qualifies on this basis for the exemption from presenting financial instruments disclosures in accordance with FRS 29, 'Financial Instruments Disclosures' The disclosures required by FRS 29 are included in the Group's publicly-available consolidated financial statements

The Company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements and deliver them to the Registrar of Companies The financial statements therefore present information about the Company as an individual undertaking and not about its group

The company has net assets and generates positive cash flows and expects this to continue in future periods Based on this, the Company's Directors have assessed that there is no material uncertainty surrounding the going concern of the entity Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

Turnover
Turnover shown on the face of the profit and loss account is the amount derived from the sale of goods and provision of services in the normal course of business, net of trade discounts, value added tax and other sales-related taxes Turnover from the sale of goods is recognised at the point contractual obligations to a customer have been fulfilled For the sale of goods, turnover is recognised when legal title transfers to a customer Where services provided to a customer relate to partial performance against contractual obligations, turnover is recognised to the extent that a right to consideration has been obtained through performance to date

In respect of the Boots loyalty scheme, the Advantage Card, when points are issued to customers the retail value of those points expected to be redeemed is deferred When the points are used by customers they are recorded as revenue Sales of gift vouchers are only included in revenue when the vouchers are redeemed

Tangible fixed assets
Cost
All tangible fixed assets are stated at cost less accumulated depreciation and impairment losses

Depreciation
Depreciation of tangible fixed assets is provided to write off the cost, less residual value, in equal instalments over their expected useful economic lives as follows

- Freehold land and assets in the course of construction – not depreciated,
- Freehold and long leasehold buildings – depreciated to their estimated residual values over their useful economic lives of not more than 50 years, and
- Fixtures, fittings, tools and equipment – 3 to 20 years

Residual values, where material, and remaining useful economic lives are reviewed annually and adjusted if appropriate

Disposals
Gains and losses on disposals are determined by comparing proceeds with carrying amount These are included in the profit and loss account Any impairment in the value of fixed assets is recognised immediately

Intangible assets
Cost
Intangible assets purchased separately from a business are capitalised at cost Intangible assets acquired as part of an acquisition are capitalised at their fair value where this can be measured reliably and are subsequently measured at cost Internally generated intangible assets are capitalised only where readily ascertainable market values are obtainable

Goodwill represents the excess of the fair value of consideration paid over the fair value of the identifiable trade and assets acquired Goodwill arising on the purchase of an entity's trade and assets is capitalised and carried at cost less accumulated impairment losses

Amortisation
Where an intangible asset is considered to have a finite useful economic life, amortisation is charged to the profit and loss account on a straight-line basis over the useful life from the date the asset is available for use Some intangible assets do not expire and therefore are considered to have an indefinite useful economic life Those intangible assets considered to have an indefinite useful economic life are not amortised and are tested for impairment at each balance sheet date

Amortisation periods and methods are reviewed annually and adjusted if appropriate

E Moss Limited

Notes to the financial statements (continued)
for the year ended 31 March 2011

1 Accounting policies (continued)

Impairment of assets
The Company's fixed assets are reviewed at each balance sheet date to determine whether events or changes in circumstances exist that indicate that their carrying amount may not be recoverable If such an indication exists, the fixed asset's recoverable amount is estimated The recoverable amount is the higher of a fixed asset's net realisable value and its value in use An impairment loss is recognised in the profit and loss account for the amount by which the asset's carrying amount exceeds its recoverable amount

For intangible assets that either have an indefinite useful economic life or a useful economic life that exceeds twenty years, the recoverable amount is estimated annually or more frequently when there is an indication that the asset is impaired

Stocks
Stocks consist of goods held for resale and are valued at the lower of cost and net realisable value Cost is determined using the first in, first out method The cost of raw materials and packaging is their purchase price The cost of finished goods comprises the purchase cost of goods, direct labour and those overheads related to distribution based on normal activity levels Cost is valued at retail prices and reduced by appropriate margins to take into account factors such as average cost, obsolescence, seasonality and damage Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale

Share capital
Equity instruments
An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities Accordingly, a financial instrument is treated as equity if

- there is no contractual obligation to deliver cash or other financial assets or to exchange financial assets or liabilities on terms that may be unfavourable, and
- the instrument is a non-derivative that contains no contractual obligation to deliver a variable number of shares or is a derivative that will be settled only by the Group exchanging a fixed amount of cash or other assets for a fixed number of the Company's own equity instruments

Equity instruments are recorded as share capital and share premium, as applicable, net of tax-effected share issue costs To the extent that this definition is not met, the proceeds of any issue are classified as a financial liability

Dividends
Interim dividends on equity instruments classified as part of shareholders' funds are recognised as appropriations in the reconciliation of movements in shareholders' funds Dividends unpaid at the balance sheet date are only recognised at that date to the extent that they are appropriately authorised by the shareholders of the Company and are no longer at the discretion of the Company Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements

Leases
Leases, for which the Company assumes substantially all the risks and rewards of ownership, are classified as finance leases The cost of assets held under finance leases, including lease premiums paid upfront, is included within tangible fixed assets and depreciation is provided in accordance with the policy for the class of asset concerned over the length of the lease The corresponding obligations under these leases are shown in creditors The finance charge element of rentals is charged to the profit and loss account through interest payable and similar charges using a constant periodic rate of charge on the remaining balance of the outstanding obligations

Payments made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease Benefits received as an incentive to sign a lease, whatever form they may take, are credited to the profit and loss account on a straight-line basis over the shorter of the lease term and the period until the contractually-specified rent review date

Investments
Investments are stated at cost less provision for impairment

Post retirement benefits
The Company participated in the Alliance UniChem Group UK Pension Scheme, incorporating both a multi-employer defined benefit scheme and a defined contribution plan, the assets and liabilities of which were held independently from the Group The Company was unable to identify its share of the underlying assets and liabilities of the defined benefit scheme and accordingly, as permitted by FRS 17, 'Retirement benefits' accounted for contributions to 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 Particulars of the Group scheme are contained in the consolidated financial statements of Alliance Boots GmbH, prepared in accordance with International Financial Reporting Standards

Taxation
Current taxation
Current tax is recognised at the amount expected to be paid or recovered for the period based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date

Deferred taxation
Deferred tax is recognised on all timing differences that have originated but not reversed by the balance sheet date Deferred tax assets are only recognised to the extent that it is more likely than not there will be suitable taxable profits against which the underlying timing differences can reverse Deferred tax liabilities are not recognised in respect of corporation tax on chargeable gains arising on the disposal of assets where that gain is expected to be deferred indefinitely

Deferred tax is measured on a non-discounted basis at the average rates expected to apply in the periods when the timing differences are expected to reverse using the tax rates and laws enacted or substantively enacted at the balance sheet date

Notes to the financial statements (continued)

for the year ended 31 March 2011

2 Profit/(loss) from operations

	2011 £million	2010 £million
Turnover	4 3	16 2
Cost of sales		
Continuing operations	(3 3)	(7 5)
Discontinued operations	-	(5 0)
	(3 3)	(12 5)
Gross profit	1 0	3 7
Distribution costs		
Continuing operations	(0 5)	(4 4)
Discontinued operations	-	(1 7)
	(0 5)	(6 1)
Administrative expenses		
Continuing operations	1 1	1 1
	1 1	1 1
Operating profit/(loss)	1 6	(1 3)

Operating profit/(loss) is stated after charging

	2011 £million	2010 £million
Depreciation of tangible fixed assets		
- owned assets	-	0 1
- held under finance leases	0 1	0 1
Operating lease rentals payable		
- land and buildings	1 9	1 7

Amounts receivable by the auditors and their associates
The 2011 fee in respect of auditing the accounts of the Company pursuant to legislation was borne by a fellow Group undertaking Amounts receivable by the Company's auditors in respect of non-audit services provided to the Company were £Nil (2010 £Nil)

3 Staff numbers and costs

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

	2011 Number of employees	2010 Number of employees
Sales and marketing	6	94

Costs incurred in respect of these employees were

	2011 £million	2010 £million
Wages and salaries	0 2	3 0
Social security costs	-	0 1
	0 2	3 1

No director received or waived any remuneration for his services to the Company during the year

On 1 July 2010 all employees were transferred to Boots Management Services Limited, a fellow Group undertaking A recharge arrangement exists to recharge the cost of these employees to the Company

Notes to the financial statements (continued)
for the year ended 31 March 2011

4 Profit on disposal of business

On 30 September 2010 the Company sold the trade and assets of 1 retail outlet with a pharmacy to Boots UK Limited (2010 18 retail outlets)

	2011 £million	2010 £million
Intangible assets	0 2	5 3
Tangible fixed assets	0 2	1 9
Stock	0 1	0 1
Debtors	0 1	1 6
Creditors	-	(2 2)
Cash at bank	-	1 2
Net assets disposed	0 6	7 9
Cash proceeds	1 0	11 1
Profit on disposal	0 4	3 2

5 Interest receivable and similar income

	2011 £million	2010 £million
Interest receivable from Group undertakings	0 3	0 2
Other finance income	0 5	-
	0 8	0 2

6 Interest payable and similar charges

	2011 £million	2010 £million
Finance charges payable in respect of finance leases	0 3	0 4

7 Tax on profit on ordinary activities

An analysis of the tax charge for the year ended 31 March 2011 is presented as follows

	2011 £million	2010 £million
Current tax		
United Kingdom ('UK') corporation tax		
Corporation tax on income for the period at 28% (2010 28%)	(2 2)	(2 8)
Adjustments in respect of prior periods	0 6	(0 5)
	(1 6)	(3 3)
Deferred tax (note 17)		
Origination and reversal of timing differences	2 1	2 0
Adjustment in respect of prior periods	-	0 5
	2 1	2 5
Tax on profit on ordinary activities	0 5	(0 8)

Notes to the financial statements (continued)
for the year ended 31 March 2011

7 Tax on profit on ordinary activities (continued)

The current tax credit for the financial year is higher (2010 higher) than the standard rate of corporation tax of 28% (2010 28%) The differences are explained below

	2011 £million	2010 £million
Profit on ordinary activities before tax	2 7	3 4
Current tax at 28% (2010 28%)	0 7	1 0
Effects of		
Profit on disposal of fixed assets	(0 4)	(0 3)
Profit on disposal of business	-	(0 9)
Provisions against investments and loans to Group undertakings	(0 3)	6 0
Expenses not deductible for tax purposes	(0 2)	(0 1)
Non-taxable income	-	(6 5)
Movements in general provisions	(2 0)	-
Pension contributions for tax purposes	-	(2 0)
Adjustments in respect of prior periods	0 6	(0 5)
Total current tax credit as above	(1 6)	(3 3)

The standard rate of corporation tax in the UK changes to 26% with effect from 1 April 2011 During the year the UK Government announced that the rate of UK corporation tax would reduce by 1% over each of the next three years to 23%

8 Dividends

The Company's paid and proposed dividends are presented as follows

	2011 £million	2010 £million
Dividends paid in the year		
Interim dividends paid	-	38 4

9 Tangible fixed assets

	Long leasehold land and buildings £million	Fixtures, fittings, tools and equipment £million	Total £million
Cost			
At 1 April 2010	7 5	0 5	8 0
Disposals to Group undertakings	-	(0 2)	(0 2)
Disposals	-	(0 3)	(0 3)
At 31 March 2011	**7 5**	**-**	**7 5**
Depreciation			
At 1 April 2010	0 5	0 2	0 7
Charge for the year	0 1	-	0 1
Disposals	-	(0 2)	(0 2)
At 31 March 2011	**0 6**	**-**	**0 6**
Net book value			
At 31 March 2010	7 0	0 3	7 3
At 31 March 2011	**6 9**	**-**	**6 9**

The net book value of tangible fixed assets held under finance leases of £6 9 million (2010 £7 0 million) is included in the total net book value presented above Depreciation for the financial year on these assets was £0 1 million (2010 £0 1 million)

E Moss Limited

Notes to the financial statements (continued)
for the year ended 31 March 2011

10. Intangible assets

	Pharmacy licences £million
Cost and net book value	
At 1 April 2010	1 3
Disposals to Group undertakings	(0 2)
Disposals	(0 5)
At 31 March 2011	**0 6**

Pharmacy licences were revalued by the Company in 2001 An uplift of £14 6 million was accounted for in the financial statements of that year The Company's accounting policy since 2001 has been to account for all subsequent additions to pharmacy licences on an unmodified historic cost basis The historical cost and net book value of pharmacy licences at 31 March 2011 is £0 6 million (2010 £1 3 million) Pharmacy licences, which are regarded as having an indefinite useful economic life, are not amortised but are subject to an annual impairment test The annual impairment test supports the carrying value of the pharmacy licences and therefore there was no impairment charge in the year

11 Fixed asset Investments

	Loans to and shares in subsidiary undertakings £million	Other investments £million	Total £million
Cost			
At 1 April 2010	52 0	0 3	52 3
Dissolutions	(20 7)	-	(20 7)
Disposals	-	(0 3)	(0 3)
At 31 March 2011	**31.3**	**-**	**31 3**
Provision			
At 1 April 2010 and **31 March 2011**	29 8	-	29 8
Net book value			
At 31 March 2010	22 2	0 3	22 5
At 31 March 2011	**1.5**	**-**	**1 5**

As permitted by section 410 of the Companies Act 2006, only principal undertakings are shown A complete list of all subsidiary undertakings is filed with the Company's annual return

12 Stocks

	2011 £million	2010 £million
Finished goods and goods held for resale	0 3	0 3

There is no material difference between the estimated replacement cost and the carrying value of stocks

13 Debtors

	2011 £million	2010 £million
Falling due within one year:		
Trade debtors	0 9	0 3
Amounts owed by Group undertakings	275 2	260 5
Prepayments and accrued income	0 2	0 3
Corporation tax receivable	2 2	2 1
	278 5	263 2
Falling due after more than one year:		
Deferred tax (note 17)	0 1	2 2
Total debtors	278 6	265 4

Notes to the financial statements (continued)
for the year ended 31 March 2011

14 Creditors amounts falling due within one year

	2011 £million	2010 £million
Amounts owed to Group undertakings	13 1	24 1
Other creditors including taxes and social security	0 1	0 1
	13 2	24 2

Following the strike-off of 26 subsidiaries in the year (2010 47), amounts owed to Group undertakings of £20 7 million were waived (2010 £32 4 million)

15 Creditors amounts falling due after more than one year

	2011 £million	2010 £million
Obligations under finance leases and hire purchase contracts	7 1	7 1

The maturity of the Company's net obligations under finance leases are presented as follows

	2011 £million	2010 £million
More than five years	7 1	7 1

16 Provisions for liabilities and charges

	Vacant property £million
At 1 April 2010	1 6
Provisions created during the year	0 2
Provisions utilised during the year	(0 5)
At 31 March 2011	**1 3**

The vacant property provision represents recognition of the net costs arising from vacant properties and sub-let properties The exact timing of utilisation of this provision will vary according to the individual properties concerned

17 Deferred tax

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset the associated current tax assets and liabilities

Deferred tax (assets)/liabilities are attributable to the following after offset

	2011 £million	2010 £million
Accelerated capital allowances	(0 1)	(0 2)
Pension accrual	-	(2 0)
	(0 1)	(2 2)

The movement in the net deferred tax (asset)/ liability for the year is presented as follows

	Accelerated capital allowances £million	Other short term differences £million	Total £million
Deferred tax assets			
At 1 April 2010	(0 2)	(2 0)	(2 2)
Profit and loss account (credit)/charge	0 1	2 0	2 1
At 31 March 2011	**(0 1)**	**-**	**(0 1)**

At 31 March 2011 the Company had capital losses totalling £1 0 million (2010 £2 4 million) which are available for offset against future chargeable gains arising in the Company or in other Group undertakings A deferred tax asset of £0 3 million (2010 £0 7 million) relating to these losses has not been recognised in these financial statements

18 Called up share capital

	2011 £million	2010 £million
Allotted, called up and fully paid		
243,937,797 ordinary shares of £1 each	243 9	243 9

E Moss Limited

Notes to the financial statements (continued)
for the year ended 31 March 2011

19 Reconciliation of movements in equity shareholders' funds

	Called up share capital £million	Share premium account £million	Revaluation reserve £million	Profit and loss account £million	Total £million
At 1 April 2009	243 9	15 0	1 0	38 4	298 3
Profit for the financial year	-	-	-	4 2	4 2
Transfer of realised profits	-	-	(0 9)	0 9	-
Equity dividends paid	-	-	-	(38 4)	(38 4)
At 1 April 2010	243 9	15 0	0 1	5 1	264 1
Profit for the financial year	-	-	-	2 2	2 2
At 31 March 2011	**243 9**	**15 0**	**0 1**	**7 3**	**266 3**

Gains of £Nil (2010 £0 9 million) which were realised on the disposal of previously re-valued properties and the re-valued element of the Company's depreciation charge of £Nil (2010 £Nil) have been transferred from the revaluation reserve to the profit and loss account

20 Retirement benefits

The Company participates in the Alliance UniChem Group UK Pension Scheme, incorporating both a multi-employer defined benefit scheme and a defined contribution plan, the assets and liabilities of which are held independently from the Group The Company is unable to identify its share of the assets and liabilities of the defined benefit schemes on a reasonable basis and as permitted under FRS 17, 'Retirement benefits', these schemes have been accounted for in these financial statements as if the schemes were defined contribution schemes

Contributions to the defined benefit schemes for the year were £Nil (2010 £Nil) The agreed contribution rate for the next 12 months is nil% Contributions to the defined contribution schemes for the year were £Nil (2010 £Nil) There are no prepaid or accrued contributions to either scheme at the balance sheet date

Following an extensive consultation process, the Group implemented a new defined contribution scheme in the UK with effect from 1 July 2010, and as a result, all the Group's defined benefit pension schemes in the UK were closed to future accrual from that date The obligations of the Alliance UniChem Group UK Pension Scheme were subsequently transferred to an insurer prior to the scheme being bought out

At 31 March 2011 the defined benefit scheme had a deficit on an FRS17, 'Retirement benefits', basis, of £Nil (2010 £13 0 million) before tax Details of the most recent actuarial valuation and detailed disclosures at 31 March 2011 can be found in the financial statements of Alliance Boots GmbH

21 Operating leases

At 31 March 2011 the Company had annual commitments under non-cancellable operating leases as follows

	2011 Land and buildings £million	2010 Land and buildings £million
Less than one year	0 3	-
Between one and five years	0 8	-
More than five years	0 1	0 2
	1 2	0 2

22 Contingent liabilities

On 21 December 2007, the Company became a Guarantor under both a £8,270 million multi-currency Senior Facilities Agreement and a £750 million multi-currency Subordinated Facility Agreement (together the Agreements) between, amongst others, AB Acquisitions Limited (a fellow subsidiary undertaking within the Alliance Boots GmbH Group) as a Borrower and Deutsche Bank AG as the Facility Agent for the Lenders As a Guarantor under the Agreements, the Company has guaranteed the liabilities of fellow subsidiary undertakings within the Alliance Boots GmbH Group under the Agreements As at 31 March 2011 the gross borrowings outstanding under the Agreements in aggregate (including the impact of currency translation and capitalised interest) were £8,851 million (2010 £8,850 million)

The Company has entered into an arrangement with its bank under which its current account balances are netted on a daily basis with those of the other participating Group companies for the purposes of charging or crediting interest Under this arrangement, each participating company agrees that it is jointly and severally liable to the bank, with each participating company, for the aggregate overdraft balances on current accounts of all participating companies Each of the participating company's liability is limited to the amount of any positive cash balance it has in its current accounts with the bank on the day netting takes place At 31 March 2011, the Company was contingently liable under this arrangement for a total amount of £Nil million (2010 £Nil)

23 Ultimate parent undertaking

At 31 March 2011 the Company's immediate parent company was Alliance Boots Holdings Limited 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 Alliance Santé Participations S A , and certain funds advised by Kohlberg Kravis Roberts & Co L P S Pessina, and O Barra, who are Directors of Alliance Boots GmbH, are also Directors of Alliance Santé Participations S A , which is ultimately owned by a family trust

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