



Registration  
Number  
4116989

BOOTS SHARE PLAN TRUSTEE LIMITED

DIRECTORS' REPORT

and

FINANCIAL STATEMENTS

YEAR ENDED 31<sup>ST</sup> MARCH 2003



A12  
COMPANIES HOUSE

\*AKRLFSSI\*

0748  
29/01/04

**Registration**  
**No: 4116989**

**BOOTS SHARE PLAN TRUSTEE LIMITED**

**Directors' Report**

Year ended 31st March 2003

---

**Directors**

M J Oliver  
D C G Foster

**Secretary**

S Fennell

**Registered Office**

1 Thane Road West  
Nottingham, NG2 3AA

---

The directors present their report together with the audited financial statements for the period ended 31st March 2003.

**Principal Activity**

The principal activity of the company is that of acting as Trustee for The Boots All Employee Share Ownership Plan.

**Directors**

There have been no changes to the board of directors during the year and up to the date of signing the financial statements.

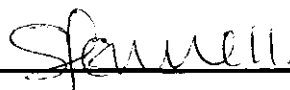
**Results and Dividends**

The company did not trade during the period. The directors do not recommend the payment of a dividend.

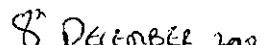
**Remuneration of directors and directors' shareholdings**

Details of the remuneration and shareholdings of directors are included in notes 3 and 4 on pages 5 to 7.

By order of the board



**Secretary**

  
Date

## **BOOTS SHARE PLAN TRUSTEE LIMITED**

### **Directors' responsibilities statement**

*Year ended 31st March 2003*

Company law requires directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that period. In preparing these financial statements, directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the 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.

# **BOOTS SHARE PLAN TRUSTEE LIMITED**

## **Independent Auditors' Report**

Year ended 31st March 2003

### **Report of the Independent Auditors to the members of Boots Share Plan Trustee Limited**

We have audited the financial statements on pages 4 to 8.

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 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 are responsible for preparing the directors report and, as described on page 2, the financial statements, in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our professions ethical guidance.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

### **Basis of opinion**

We conducted our audit in accordance with Auditing Standards 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 judgements 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.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31st March 2003 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc*

**KPMG Audit Plc**

Chartered Accountants

Registered Auditor

Birmingham

*28/1/04*

Date

**BOOTS SHARE PLAN TRUSTEE LIMITED**

**Balance Sheet**

At 31st March 2003

	Notes	Year ending 31st March 2003 £	Period ending 31st March 2002 £
<b>Current assets</b>			
Cash at bank and in hand		2	2
<b>Net assets</b>		<u>2</u>	<u>2</u>
<b>Capital and reserves</b>			
Called up share capital	2	2	2
<b>Equity shareholders' funds</b>		<u>2</u>	<u>2</u>

The financial statements were approved by the Board of Directors  
on

and are signed on its behalf by: *MS Oliver*

8 December 2003

*MyCh*

**Director**

# BOOTS SHARE PLAN TRUSTEE LIMITED

## Notes to the Financial Statements

Year ended 31st March 2003

---

### 1. Profit and loss account

---

During the current and proceeding year, the company did not trade and received no income and incurred no expenditure. Consequently, during these years the company made neither a profit nor loss.

---

### 2. Accounting policies

---

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

#### Cash flow

A cash flow statement has not been presented in the financial statements of the company as permitted by paragraph 5a of the revised Financial Reporting Standard 1.

#### Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost accounting rules.

---

3. Called up share capital	Year ending 31st March 2003 £	Period ending 31st March 2002 £
Authorised 100 shares of £1 each	100	100
Issued, called up and fully paid 2 shares of £1 each	2	2

---

---

### 4. Directors' remuneration

---

No director received any remuneration for his services to the company during the period.

## BOOTS SHARE PLAN TRUSTEE LIMITED

### Notes to the Financial Statements

Year ended 31st March 2003

#### 5. Directors' shareholdings and share options

The beneficial interests of the directors, who are not directors of the ultimate holding company, and their families in the share capital of the ultimate holding company at 31st March 2003 are shown below. No director holds any loan capital in the ultimate holding company. The share interests of the directors of the ultimate holding company are included within those group financial statements.

		Ordinary shares under executive and SAYE options at March 2001								
	Ordinary shares 2003	Ordinary Shares 2002	Ordinary Shares under Options 2003	Average option price 2003	Exercised During The period	Exercise price	Market price at date of exercise	Lapsed during period	Granted during the period	Ordinary shares under options 2002
MJ Oliver	19,209	16,638	51,960	543p	-	-	-	-	12,598	39,362
DCG Foster	2,133	1,525	17,806	633p	-	-	-	-	8,978	8,828

The market price of the ultimate holding company's shares at 31st March 2003 was 530.5p. The range of market prices during the period was 492p to 725p. Prices shown for options exercised during the year represent the weighted average of prices. The average option price for 2003 represents the weighted average price for options outstanding at 31st March 2003.

Under a savings related scheme options may be granted to qualifying employees to subscribe for ordinary shares at approximately 80% of market price.

In previous years M J Oliver was granted options to subscribe for ordinary shares in Boots Group PLC under an executive share options scheme. Such options are exercisable up to February 2005 at option prices ranging from 438p to 531p.

Certain directors were granted options to subscribe for ordinary shares in Boots Group PLC under an executive share options scheme. These options become exercisable 3 years after grant if the performance target is met. Such options are exercisable up to 10 years from grant at option prices of 630p and 594p.

# BOOTS SHARE PLAN TRUSTEE LIMITED

## Notes to the Financial Statements

Year ended 31st March 2003

### 5. Directors' shareholdings and share options (continued)

The table below shows the number of shares in Boots Group PLC (the ultimate holding company) over which certain directors have been granted conditional rights under the Long Term Bonus scheme operated by Boots Group PLC. Under the Long Term Bonus scheme, at the end of a four year performance cycle, (three years for the schemes commenced in 2002), half the bonus earned is paid in cash and half is awarded as shares.

	Ordinary shares conditional awards				
	31st March 2003	Exercised during the year	Lapsed during the year	Granted during the year	At 31st March 2002
Long Term Bonus scheme					
M J Oliver	4,551	(3,387)	-	-	7,938
DCG Foster	2,117	(1,003)	-	-	3,120

The table below shows the number of shares in Boots Group PLC (the ultimate holding company) that have been conditionally awarded to certain directors under Boots Group All-Employee Share Ownership Plan 2000. The employee will normally become unconditionally entitled to these shares after remaining employed for a further three years.

	Conditional entitlement award under the All Employee Share Ownership Plan 2000		
	31st March 2003	Awarded during the period	At 31st March 2002
M J Oliver	81	39	42
DCG Foster	81	39	42

As a potential beneficiary, each participant is deemed to be interested in the 16,848,663 ordinary shares of the company held by Boots ESOP Trust Limited (established to facilitate the operation of the company's executive bonus schemes), Boots (QUEST) Trustee Limited (established in connection with the company's UK all-employee SAYE Share Option Scheme) and Boots Share Plan Trustee Limited (established in connection with the group's All-Employee Share Ownership Plan).



## **BOOTS SHARE PLAN TRUSTEE LIMITED**

### **Notes to the Financial Statements**

Year ended 31st March 2003

---

#### **5. Ultimate Holding Company**

---

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

Copies of the group financial statements may be obtained from 1 Thane Road West, Nottingham NG2 3AA.

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.