

Company registration number: 06166753

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AB Acquisitions UK Topco 2 Limited
Directors' report and financial statements
for the year ended 31 March 2009

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AB Acquisitions UK Topco 2 Limited

Directors' report

for the year ended 31 March 2009

The Directors present their report and the audited financial statements for the year ended 31 March 2009.

Principal activities

The Company's principal activity during the year was that of a holding company within the Alliance Boots GmbH group ('Group'). AB Acquisitions Holdings Limited is the immediate and ultimate parent company of Alliance Boots GmbH.

Business review

The results for the year are set out in detail on page 5. The retained loss for the year is £15,345,000 (54 week period ended 31 March 2008: retained loss £3,000). The Directors consider the future prospects to be good.

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

Principal risks and uncertainties

The Company's Directors monitor the overall risk profile of the Company. In addition, the Directors are responsible for determining clear policies as to what the Company considers to be acceptable levels of risk. These policies seek to enable people throughout the Company to use their expertise to identify risks that could undermine performance and to devise ways of bringing them within acceptable levels. Where the Directors identify risks that are not acceptable, they 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.

Directors

The following served as Directors during the year:

M Delve	appointed 25 June 2009
K McCoy	appointed 25 June 2009
F Standish	appointed 25 June 2009
G Fairweather	appointed 29 May 2008, resigned 25 June 2009
M Pagni	appointed 29 May 2008, resigned 25 June 2009
S D'Angelo	resigned 29 May 2008
H Kraft	resigned 29 May 2008

Political and charitable donations

No political or charitable donations were made during the current or prior year.

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.

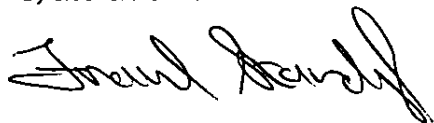
Auditors

KPMG Audit Plc were re-appointed auditors during the year and will be proposed for reappointment in accordance with s485 of the Companies Act 2006.

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:



F Standish
Company Secretary

2 July 2009

Registered Office:

Sedley Place
4th Floor
361 Oxford Street
London W1C 2JL

Registered in England and Wales No. 06166753

AB Acquisitions UK Topco 2 Limited

Directors' responsibilities statement

for the year ended 31 March 2009

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations. Company law requires the Directors to prepare financial statements for each financial year.

Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

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

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

Independent auditors' report to the members of AB Acquisitions UK Topco 2 Limited

We have audited the financial statements of AB Acquisitions UK Topco 2 Limited ('the Company') for the year ended 31 March 2009 which comprise the Profit and loss account, 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 Directors' responsibilities statement 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.

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 31 March 2009 and of its loss 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
London
United Kingdom

3 July 2009

AB Acquisitions UK Topco 2 Limited

Profit and loss account

for the year ended 31 March 2009

	Notes	Year ended 31 March 2009 £000	54 week period ended 31 March 2008 £000
Administration expenses	2	(21,313)	(4)
Operating loss		(21,313)	(4)
Loss on ordinary activities before taxation		(21,313)	(4)
Tax on loss on ordinary activities	3	5,968	1
Loss for the financial year/period		(15,345)	(3)

There are no recognised gains and losses for the current year and preceding financial period other than the loss of £15,345,000 (54 week period ended 31 March 2008: loss £3,000) shown above. Accordingly, no statement of recognised gains and losses is presented.

The amounts presented for the current year and preceding financial period are derived from continuing operations.

The notes on pages 7 to 10 form part of these financial statements.

AB Acquisitions UK Topco 2 Limited

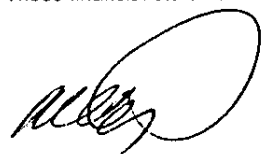
Balance sheet

as at 31 March 2009

	Notes	2009 £000	2008 £000
Fixed assets			
Investments	4	2,299,659	2,299,659
Current assets			
Debtors	5	9,086	1
Creditors: amounts falling due within one year	6	(24,434)	(4)
Net current liabilities		(15,348)	(3)
Net assets		2,284,311	2,299,656
Capital and reserves			
Called up share capital	7,8	100	100
Capital contribution	8	2,299,559	2,299,559
Profit and loss account	8	(15,348)	(3)
Shareholders' funds		2,284,311	2,299,656

The notes on pages 7 to 10 form part of the Company's financial statements.

These financial statements were approved by the Board on 2 July 2009 and were signed on its behalf by:



M Dolve
Director

2 July 2009

AB Acquisitions UK Topco 2 Limited

Notes to the financial statements for the year ended 31 March 2009

1. Accounting policies

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 of the Company, 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.

The Company's voting rights are wholly controlled within the ABAHL 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 is exempt under section 228 of the Companies Act 1985 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.

Currency

Transactions denominated in non-sterling currencies are recorded at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in non-sterling currencies at the balance sheet date are translated at the exchange rates ruling at that date. Non-monetary assets and liabilities denominated in non-sterling currencies are translated using the exchange rates at the date of the underlying transactions. Exchange gains or losses are included in the profit or loss account.

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.

Investments

Investments are stated at cost less provision for impairment.

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.

AB Acquisitions UK Topco 2 Limited

Notes to the financial statements (continued)

for the year ended 31 March 2009

2. Operating loss

Operating loss is stated after charging:

	Year ended 31 March 2009 £000	54 week period ended 31 March 2008 £000
Auditors' remuneration	16	4

The 2009 audit fee accrued in the year was £16,000 (2008: £4,000).

The Company incurred the cost of the Directors' emoluments during the year. These Directors' emoluments are discussed in the financial statements of the Company's immediate parent company, Alliance Boots Limited. The costs of directors in the prior period were borne by another group company.

There were no employees during the year (54 week period ended 31 March 2008: nil).

3. Tax on loss on ordinary activities

An analysis of the tax credit for the year/period is presented as follows:

	Year ended 31 March 2009 £000	54 week period ended 31 March 2008 £000
Current tax		
<i>United Kingdom ('UK') corporation tax</i>		
Corporation tax on income for the year at 28% (54 week period ended 31 March 2008: 30%)	5,968	1
Tax on loss on ordinary activities	5,968	1

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

AB Acquisitions UK Topco 2 Limited

Notes to the financial statements (continued)

for the year ended 31 March 2009

4. Fixed asset investments

	Shares in subsidiary undertakings £000
Cost	
At 1 April 2008 and 31 March 2009	2,299,659

The Company's investment represents a direct holding in 100% of the share capital and voting rights in AB Acquisitions UK Holdco 1 Limited, a UK based holding company. The investment was by way of a subscription for the share capital and a capital contribution.

5. Debtors

	2009 £000	2008 £000
VAT recoverable	3,117	-
Corporation tax receivable	5,969	1
	9,086	1

6. Creditors: amounts falling due within one year

	2009 £000	2008 £000
Amounts owed by group undertakings	24,434	4
	24,434	4

7. Called up share capital

	2009 £000	2008 £000
Authorised		
10,000,000 ordinary shares of £1 each	10,000	10,000
Allotted, called up and fully paid		
100,003 ordinary shares of £1 each	100	100

AB Acquisitions UK Topco 2 Limited

Notes to the financial statements (continued)

for the year ended 31 March 2009

8. Reconciliation of movements in equity shareholders' funds

	Share capital £000	Capital contribution £000	Profit and loss account £000	Total £000
At 19 March 2007	-	-	-	-
Proceeds of ordinary share capital issued	100	-	-	100
Capital contribution	-	2,299,559	-	2,299,559
Loss for the financial period	-	-	(3)	(3)
At 1 April 2008	100	2,299,559	(3)	2,299,656
Loss for the financial year	-	-	(15,345)	(15,345)
At 31 March 2009	100	2,299,559	(15,348)	2,284,311

9. Ultimate parent undertaking

At 31 March 2009 the Company's immediate parent company was Alliance Boots 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.