

Company registration number: 06166762



Superior Acquisitions Limited
Strategic report, Directors' report and financial statements
for the year ended 31 August 2017

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Superior Acquisitions Limited

Strategic report

for the year ended 31 August 2017

Principal activities

Superior Acquisitions Limited (the "Company") is an investment holding company within the Walgreens Boots Alliance, Inc. consolidated group ("Group").

Business review

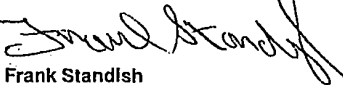
	2017 £million	2016 £million
Operating loss	(624)	(23)
Profit for the year	808	734
Shareholders' equity	3,287	3,636

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.

By order of the Board:



Frank Standish

Director

22 November 2017

Superior Acquisitions Limited

Directors' report

for the year ended 31 August 2017

The Directors present their report and the audited financial statements for the year ended 31 August 2017.

Going concern

The Company has net current liabilities of £507 million, however it has a revolving credit facility with a fellow group undertaking of £870 million (2016: £870 million) which matures on 31 August 2019. Therefore the Directors consider that the Company has adequate resources to remain in operation for the foreseeable future, and have continued to adopt the going concern basis for preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in note 2 in the financial statements.

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 Report, which does not form part of this report.

Dividends

A dividend of £1,157 million was declared and paid in the year (2016: £1,066 million). Further details can be found in note 9 of the financial statements.

Future developments

The Company intends to continue operating as an investment holding company within the Group.

Post balance sheet events

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

Directors

The following served as Directors during the year:

Aidan Clare

Martin Delve

(Resigned 6 February 2017)

Frank Standish

Mark Muller

(Appointed 6 February 2017)

The Directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Auditors

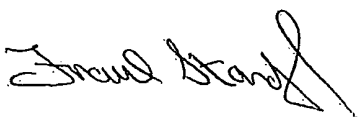
Pursuant to s487 Companies Act 2006, Deloitte LLP were deemed to be reappointed and will therefore continue in office.

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.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

By order of the Board:



Frank Standish

Director

22 November 2017

Registered office:

Sedley Place

4th Floor

361 Oxford Street

London

W1C 2JL

Registered in England and Wales No. 06166762

Superior Acquisitions Limited

Directors' responsibilities statement

for the year ended 31 August 2017

The Directors are responsible for preparing the Strategic report, Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 'Reduced Disclosure Framework'.

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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Superior Acquisitions Limited

Independent auditors' report

to the members of Superior Acquisitions Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Superior Acquisitions Limited (the 'company') which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity;
- the statement of accounting policies; and
- the related notes 1 to 21.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Superior Acquisitions Limited

Independent auditors' report (continued) to the members of Superior Acquisitions Limited

Use of our report

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 auditors 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.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.



Sonya Butters, FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor
Reading, United Kingdom
22 November 2017

Superior Acquisitions Limited

Income statement

for the year ended 31 August 2017

	Notes	2017 £million	2016 £million
Other operating expenses		(624)	(23)
Operating loss		(624)	(23)
Income from shares in Group undertakings	6,9	1,737	1,066
Investment revenue	6	65	61
Finance costs	7	(379)	(366)
Profit before taxation		799	738
Tax	8	9	(4)
Profit for the year		808	734

Operating loss is all derived from continuing operations.

The Company has no other items of comprehensive income and has, therefore, not included a statement of comprehensive income.

The accompanying notes to the financial statements are an integral part of the Company's financial statements.

Superior Acquisitions Limited

Balance sheet

as at 31 August 2017

	Notes	2017 £million	2016 £million
Assets			
Non-current assets			
Investments	10	11,256	11,853
Deferred tax assets	11	4	3
		11,260	11,856
Current assets			
Trade and other receivables	12	20	27
Cash and bank balances		2	2
Derivative financial instruments	13,20	-	-
		22	29
Total assets		11,282	11,885
Liabilities			
Current liabilities			
Borrowings	14	(441)	(130)
Trade and other payables	15	(56)	(324)
Current tax liabilities		(32)	(24)
Derivative financial instruments	13,20	-	(15)
		(529)	(469)
Net current liabilities		(507)	(440)
Total assets less current liabilities		10,753	11,416
Non-current liabilities			
Borrowings	14	(7,466)	(7,780)
		(7,466)	(7,780)
Net assets		3,287	3,636
Equity			
Share capital	16	-	-
Share premium	17	-	1,357
Capital contribution	18	2,166	2,166
Profit and loss account	19	1,121	113
Total Equity		3,287	3,636

The accompanying notes to the financial statements are an integral part of the Company's financial statements.

The financial statements of Superior Acquisitions Limited were approved by the Board of directors and authorised for issue on 22 November 2017. They were signed on its behalf by:



Mark Muller
Director

Superior Acquisitions Limited

Statement of changes in equity for the year ended 31 August 2017

	Share capital £million	Share premium account £million	Capital contribution £million	Retained earnings £million	Total £million
At 31 August 2015	-	1,957	2,166	(155)	3,968
Share premium reduction	-	(600)	-	600	-
Dividends paid	-	-	-	(1,066)	(1,066)
Profit for the year	-	-	-	734	734
At 31 August 2016	-	1,357	2,166	113	3,636
Share premium reduction	-	(1,357)	-	1,357	-
Dividends paid	-	-	-	(1,157)	(1,157)
Profit for the year	-	-	-	808	808
At 31 August 2017	-	-	2,166	1,121	3,287

The accompanying notes to the financial statements are an integral part of the Company's financial statements.

Superior Acquisitions Limited

Notes to the financial statements

for the year ended 31 August 2017

1. General information

Superior Acquisitions Limited (the "Company") is a private company limited by shares and is registered in England and Wales. The address of the registered office is given on page 2.

The nature of the Company's operations and its principal activities are set out in the Strategic report on page 1.

2. Significant accounting policies

Basis of accounting

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

These financial statements are individual accounts. The Company is exempt from the preparation of consolidated financial statements under s401 of the Companies Act, because it is included in the group accounts of Walgreens Boots Alliance, Inc. The group accounts of Walgreens Boots Alliance, Inc. are available from the Walgreens Boots Alliance website at www.walgreensbootsalliance.com. The principal office of the parent company preparing consolidated accounts is 108 Wilmot Road, Deerfield, Illinois, 60015, United States of America.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The financial statements have been prepared on the historical cost basis, except for financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services. Where relevant, equivalent disclosures have been given in the group accounts of Walgreens Boots Alliance, Inc.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) the requirements of IFRS 7 *Financial Instruments: Disclosures*;
- (b) the requirements of paragraphs 91-99 of IFRS 13 *Fair Value Measurement*;
- (c) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1;
 - (d) the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 *Presentation of Financial Statements*;
 - (e) the requirements of IAS 7 *Statement of Cash Flows*;
 - (f) the requirements of paragraph 17 of IAS 24 *Related Party Disclosures*;
 - (g) the requirements in IAS 24 *Related Party Disclosures* to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member. .

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as value in use in IAS 36.

The principal accounting policies adopted are set out below.

Going Concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Directors' report on page 2.

The Company has net current liabilities of £507 million, however it has a revolving credit facility with a fellow group undertaking of £870 million (2016: £870 million) which matures on 31 August 2019. Therefore the Directors consider that the Company has adequate resources to remain in operation for the foreseeable future, and have continued to adopt the going concern basis for preparing the financial statements.

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.

Changes in accounting policies and disclosures

In the current year, the Company has applied the following amendments to IFRSs that were issued by the International Accounting Standards Board (IASB) and endorsed for use in the European Union and are mandatorily effective for an accounting period that begins on or after 1 January 2016. Their adoption has not had a material impact on the disclosures or on the amounts reported in these financial statements.

- Amendments to IAS 1 *Disclosure Initiative*: The Company has adopted the amendments to IAS 1 *Disclosure Initiative* for the first time in the current year. The amendments clarify that an entity need not provide a specific disclosure required by an IFRS if the information resulting from that disclosure is not material, and give guidance on the bases of aggregating and disaggregating information for disclosure purposes. However, the amendments reiterate that an entity should consider providing additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users of financial statements to understand the impact of particular transactions, events and conditions on the entity's financial position and financial performance.

In addition, the amendments clarify that an entity's share of the other comprehensive income of associates and joint ventures accounted for using the equity method should be presented separately from those arising from the Company, and should be separated into the share of items that, in accordance with other IFRSs: (i) will not be reclassified subsequently to profit or loss; and (ii) will be reclassified subsequently to profit or loss when specific conditions are met.

Superior Acquisitions Limited

Notes to the financial statements (continued)

for the year ended 31 August 2017

2. Significant accounting policies (continued)

Changes in accounting policies and disclosures (continued)

The amendments also address the structure of the financial statements by providing examples of systematic ordering or grouping of the notes.

- Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation*: The Company has adopted the amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation* for the first time in the current year. The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

- (a) when the intangible asset is expressed as a measure of revenue; or
- (b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

- *Annual Improvements to IFRSs 2012-2014 Cycle*: The Company has adopted the amendments to IFRSs included in the *Annual Improvements to IFRSs 2012 - 2014 Cycle* for the first time in the current year.

The amendments to IFRS 5 introduce specific guidance in IFRS 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa). The amendments clarify that such a change should be considered as a continuation of the original plan of disposal and hence requirements set out in IFRS 5 regarding the change of sale plan do not apply. The amendments also clarify the guidance for when held-for-distribution accounting is discontinued.

The amendments to IFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets.

The amendments to IAS 19 clarify that the rate used to discount post-employment benefit obligations should be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The assessment of the depth of a market for high quality corporate bonds should be at the currency level (i.e. the same currency as the benefits are to be paid). For currencies for which there is no deep market in such high quality corporate bonds, the market yields at the end of the reporting period on government bonds denominated in that currency should be used instead.

Investments

Investments are accounted for at cost less, where appropriate, provisions for impairment.

Revenue recognition

Dividend and interest revenue

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Foreign currencies

Currency transactions

Transactions denominated in currencies other than an entity's functional currency are translated into an entity's functional currency at the exchange rates prevailing at the date of the transactions. Monetary assets and liabilities denominated in currencies other than an entity's functional currency at the year-end are translated at the exchange rate ruling at that date. Non-monetary assets and liabilities that are measured at historical cost and are denominated in currencies other than an entity's functional currency are translated using the exchange rates at the date of the transaction. Non-monetary items that are measured at fair value and are denominated in currencies other than an entity's functional currency are translated using the exchange rates at the date when the fair value was determined. Exchange gains and losses are recognised in the income statement.

Taxation

The tax expense represents the sum of the current tax and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

Superior Acquisitions Limited

Notes to the financial statements (continued)

for the year ended 31 August 2017

2. Significant accounting policies (continued)

Deferred tax (continued)

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the period

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Cash and bank balances

Cash and bank balances comprises cash in hand and short term deposits with maturities of three months or less from the date of acquisition. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments.

Loans and receivables

Trade debtors, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the differences between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Superior Acquisitions Limited

Notes to the financial statements (continued)

for the year ended 31 August 2017

2. Significant accounting policies (continued)

Derecognition of financial assets (continued)

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including foreign exchange forward contracts, interest rate swaps and cross currency swaps. Further details of derivative financial instruments are disclosed in note 20.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The Company designates certain derivatives as either hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedges), hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges).

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a current asset due after one year or a creditor due after more than one year if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Financial liabilities

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Taxation

Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 11.

Fair value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available.

Impairment of investments

Determining whether the Company's investments have been impaired requires estimations of the investments' values in use. The value in use calculations requires the entity to estimate the future cash flows expected to arise from the investments and suitable discount rates in order to calculate present values. The carrying amount of investments at the balance sheet date was £11,256 million (2016: £11,853 million) with an impairment loss of £627 million recognised in 2017 (2016: £24 million).

4. Auditor's remuneration

The fee in respect of auditing the 31 August 2017 accounts of the Company was £13,000 (2016: £13,000).

No non-audit services were provided to the Company by its auditor.

Superior Acquisitions Limited

Notes to the financial statements (continued)

for the year ended 31 August 2017

5. Staff numbers and costs

There were no employees during the year (2016: nil).

No emoluments are payable to the Directors for their services to the Company in the current year or preceding financial period.

6. Investment revenue

	2017 £million	2016 £million
Interest receivable from Group undertakings	65	61
	65	61

7. Finance costs

	2017 £million	2016 £million
Interest payable to Group undertakings	363	356
Other finance costs	16	10
	379	366

8. Tax

An analysis of the tax credit/(charge) for the year is presented as follows:

	2017 £million	2016 £million
Corporation tax		
UK corporation tax	23	-
Adjustments in respect of prior periods:		
- UK corporation tax	(15)	(5)
	8	(5)
Deferred tax (note 11)	1	1
	9	(4)

Corporation tax is calculated at 19.58% (2016: 20%) of the estimated taxable profit for the year/period.

The tax credit /(charge) for the year can be reconciled to the profit in the income statement as follows:

	2017 £million	2016 £million
Profit/(loss) before tax	799	738
Tax at the UK corporation tax rate of 19.58% (2016: 20%)	(156)	(148)
Effect of:		
Impairment of investments	(123)	(4)
Expenses not deductible for tax purposes	(37)	(60)
Non-taxable dividends received	340	213
Adjustments in respect of prior periods	(15)	(5)
Tax credit/(charge) for the year	9	(4)

Factors that may affect future current and total tax charges

In October 2015, the UK Government substantively enacted future reductions in the corporation tax rate by 1% from 1 April 2017 to 19% and a further 1% from 1 April 2020 to 18%. In September 2016, the UK Government substantively enacted an additional 1% reduction from 1 April 2020 to 17%. The impact of this additional future reduction to 17% has been reflected in the current year.

Superior Acquisitions Limited

Notes to the financial statements (continued)

for the year ended 31 August 2017

9. Dividends

The Company's paid dividends are presented as follows:

	2017 £million	2016 £million
Amounts recognised as distributions to equity holders in the year:		
First Interim dividend for the period, equivalent to £2,830 per share (2016: £6,836)	286	690
Second Interim dividend for the period, equivalent to £3,237 per share (2016: £3,719)	327	376
Third Interim dividend for the period, equivalent to £5,389 per share (2016: £nil)	544	-
	1,157	1,066

10. Investments

	Shares in subsidiary undertakings £million	Loans to group undertakings £million	Total £million
Cost			
At 1 September 2016	10,622	1,231	11,853
Impairment	(627)	-	(627)
Currency translation differences	-	30	30
At 31 August 2017	9,995	1,261	11,256

The Company's subsidiary undertakings at the balance sheet date are presented as follows:

	Share class	Percentage held by the Company or subsidiary undertakings	Registered address
Directly held			
AB Acquisitions FX Inter Limited	Ordinary	100	Sedley Place 4th Floor 361 Oxford Street, London, W1C 2JL
AB Acquisitions FX Pref Limited	Ordinary	100	Avalon Management Limited, Landmark Square, 1st Floor, 64 Earth Close, PO Box 715, Grand Cayman
WBA Acquisitions Luxco 9 S.à r.l.	Ordinary	83.9	59, Rue de Rollingergrund, Luxembourg, L-2440, Luxembourg
WBA Acquisitions UK Holdco 7 Limited	Ordinary	100	Sedley Place, 4th Floor, 361 Oxford Street, London, W1C 2JL
B&B Investment Partners LLP	Unincorporated entity	100	Sedley Place, 4th Floor, 361 Oxford Street, London, W1C 2JL
WBA Propco A LLP	Un-incorporated entity	100	Sedley Place, 4th Floor, 361 Oxford Street, London, W1C 2JL, England
WBA Propco B LLP	Un-incorporated entity	100	Sedley Place, 4th Floor, 361 Oxford Street, London, W1C 2JL, England
WBA Propco Beeston LLP	Un-incorporated entity	100	Sedley Place, 4th Floor, 361 Oxford Street, London, W1C 2JL, England
WBA Propco C LLP	Un-incorporated entity	100	Sedley Place, 4th Floor, 361 Oxford Street, London, W1C 2JL, England
WBA Propco Retail Flex LLP	Un-incorporated entity	100	Sedley Place, 4th Floor, 361 Oxford Street, London, W1C 2JL, England
WBA Propco Unichem Flex LLP	Un-incorporated entity	100	Sedley Place, 4th Floor, 361 Oxford Street, London, W1C 2JL, England
WBA Propco Unichem LLP	Un-incorporated entity	100	Sedley Place, 4th Floor, 361 Oxford Street, London, W1C 2JL, England
Indirectly held			
AA Asia Limited	Ordinary	100	18/F Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong
WBA Acquisitions Luxco 7 S.à r.l.	Ordinary	100	59, Rue de Rollingergrund, Luxembourg, L-2440, Luxembourg
AB Acquisitions Nederland Holdco 1 B.V.	Ordinary	100	603, De Amert, Veghel, 5462 GH, Netherlands
AB Property Holdings Limited	Ordinary	100	Avalon Trust & Corporate Services Limited, Landmark Square, 1st Floor, 64 Earth Close, PO Box 715, Grand Cayman, KY1-1107, Cayman Islands
ABF, Administradora de Beneficios Farmacéuticos S.A	Ordinary	100	Miraflores 383, 6th Floor, Santiago, Chile

Superior Acquisitions Limited

Notes to the financial statements (continued)

for the year ended 31 August 2017

10. Investments (continued)

	Share class	Percentage held by the Company or subsidiary undertakings	Registered office
Administradora Fasa, S.A.	Ordinary	100	Miraflores 383, 6th Floor, Santiago, Chile
Alcura Health España, S.A.	Ordinary	99.9	Calle Pisuerga, 21-25, Poligono Santa Margarita, Terrasa, Barcelona, Spain
Alcura UK Limited	Ordinary	100	Sedley Place, 4th Floor, 361 Oxford Street, London, W1C 2JL
Alliance BMP Limited	Ordinary	100	2, The Heights, Brooklands, Weybridge, Surrey, KT13 0NY
Alliance Boots B.V.	Ordinary	100	210, Postbus, s-Hertogenbosch, 5201AE, Netherlands;
Alliance Boots Holdings Limited	Ordinary	100	603, De Amert, Veghel, 5462 GH, Netherlands Sedley Place, 4th Floor, 361 Oxford Street, London, W1C 2JL
Alliance Healthcare (Distribution) Limited	Ordinary	100	43, Cox Lane, Chessington, Surrey, KT9 1SN
Alliance Healthcare (IT Services) Limited	Ordinary	100	2, The Heights, Brooklands, Weybridge, Surrey, KT13 0NY
Alliance Healthcare Asia Pacific Limited	Ordinary	100	18/F Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong
Alliance Healthcare Deutschland AG	Ordinary	94.9	Solmsstraße 73, Frankfurt am Main, 60486
Alliance Healthcare Deutschland Holdings 1 GmbH	Ordinary	100	Solmsstraße 73, Frankfurt am Main, 60486
Alliance Healthcare Ecza Deposu Anonim Şirketi	Ordinary	100	Göztepe Mahallesi Orhangazi Cad, Karanfil Sokak No:64 Bağcılar, Istanbul, Turkey
Alliance Healthcare España Holdings, S.L.	Ordinary	100	Av Virgen de Montserrat, 6, Pol Ind El Estruch, El Prat de Llobregat, Barcelona, 08820, Spain
Alliance Healthcare España S.A.	Ordinary	99.2	Poligono Industrial Sector 4 Edificio Safa, Villanueva de Gallego, Zaragoza, 50830, Spain
Alliance Healthcare Italia (IT Services) Srl	Ordinary	100	Via Cesarea 11/10, Genova, 16121, Italy
Alliance Healthcare Limited	Ordinary	100	Block 3, Harcourt Centre, Harcourt Road, Dublin 2, Ireland
Alliance Healthcare Management Services (Nederland) B.V.	Ordinary	100	603, De Amert, Veghel, 5462 GH, Netherlands
Alliance Healthcare Management Services Limited	Ordinary	100	43, Cox Lane, Chessington, Surrey, KT9 1SN
Alliance Healthcare Nederland B.V.	Ordinary	100	210, Postbus, s-Hertogenbosch, 5201AE, Netherlands;
Alliance Healthcare Norge AS	Ordinary	100	603, De Amert, Veghel, 5462 GH, Netherlands P.o. boks 3554, Ski, 1402, Norway;
Alliance Healthcare s.r.o.	Incorporated without shares	100	Snipetjernveien 10, Langhus, 1405, Norway
Alliance Healthcare Turkey Holding A.S.	Ordinary	100	Praha 10, Podle trati 7, 108 00, Czech Republic
Alliance Healthcare Yatirim Holding Anonim Şirketi	Ordinary	100	Buyukdere Cad., Ali Kaya Sok., Polat Plaza B Blok No:4 K:13, Levent
Alliance Santé - Distribuição Farmacêutica de Eulália Baeta Pereira e Ramalho Fernandes, S.A.	Ordinary	100	Basin Ekspres Yolu, Kavak Sok. Eresinler Ser Plaza No:3, A Blok Kat:3, Yenibosna- Istanbul, 34530, Turkey
Alliance UniChem Investments 4 Limited	Ordinary	100	Rua 3, Lote E Matinha, Lisboa, 1900-823, Portugal
Alliance UniChem IP Limited	Ordinary	100	Sedley Place, 4th Floor, 361 Oxford Street, London, W1C 2JL
Alloga (Nederland) B.V.	Ordinary	100	2, The Heights, Brooklands, Weybridge, Surrey, KT13 0NY
Alloga Logística (España), S.L.	Ordinary	100	603, De Amert, Veghel, 5462GH, Netherlands
Alloga Logistics Romania	Ordinary	100	Avenida de la Industria, 29, P.I. la Cantuena, Fuenlabrada, Madrid, E-28947, Spain
Alloga S.à r.l.	Ordinary	100	No 66A, biroul 1, Traian street, Rudeni, City Chitila, Ilfov
Alloga UK Limited	Ordinary A, Ordinary B	100	59, Rue de Rollingergrund, Luxembourg, L-2440, Luxembourg
Almus Farmaceutica, S.A.	Ordinary	100	Amber Park, Berristow Lane South Normanton, Alfreton, Derbyshire, DE55 2FH, England
Almus Pharmaceuticals Limited	Ordinary	100	Av. Verge de Montserrat 6, Pol. Ind. Estruch, El Prat de Llobregat, Barcelona, 08820, Spain, Barcelona
ANZAG Rostock GmbH & Co. KG	Ordinary	79	2, The Heights, Brooklands, Weybridge, Surrey, KT13 0NY Toelzer Straße 15, 82031 Gruenwald

Superior Acquisitions Limited

Notes to the financial statements (continued)

for the year ended 31 August 2017

10. Investments (continued)

	Share class	Percentage held by the Company or subsidiary undertakings	Registered address
ANZAG Rostock Grundstücks-Verwaltungsgesellschaft mbH	Ordinary	100	Toelzer Straße 15, 82031 Gruenwald
Armila UAB	Ordinary	100	Ateities g.10, Vilnius
Aroma Actives Limited	Ordinary	100	Sedley Place, 4th Floor, 361 Oxford Street, London, W1C 2JL
Aromatherapy Associates Limited	Ordinary	100	Sedley Place, 4th Floor, 361 Oxford Street, London, W1C 2JL
Aromatherapy Associates, Inc	Ordinary	100	4900 Preston Road, Ste 108, Frisco, Texas, 75034-8744, United States
Aromatherapy Investments Holding Limited	Ordinary A	97.6	Sedley Place, 4th Floor, 361 Oxford Street, London, W1C 2JL
	Deferred	100	
Aromatherapy Investments Limited	Ordinary	100	Sedley Place, 4th Floor, 361 Oxford Street, London, W1C 2JL
AS Logistik GmbH	Ordinary	100	Solmsstraße 73, Frankfurt am Main, 60486
B&B Capital Partners (GP) Limited	Ordinary	100	Sedley Place, 4th Floor, 361 Oxford Street, London, W1C 2JL
B&B Capital Partners (SLP GP) Limited	Ordinary	100	Boots - North, 3rd Floor, 79 - 91 High Street, Falkirk, FK1 1ES, Scotland
B&B Capital Partners L.P.	Unincorporated entity	100	Sedley Place, 4th Floor, 361 Oxford Street, London, W1C 2JL
BCM Employment & Management Services Limited	Ordinary	100	1 Thane Road West, Nottingham, NG2 3AA, England
BCM Kosmetik GmbH	Ordinary	100	Amtsgericht Offenbach, M 5HRB 2131, Germany
BCM Limited	Ordinary	100	1 Thane Road West, Nottingham, NG2 3AA
BCM Specials Limited	Ordinary	100	1 Thane Road West, Nottingham, NG2 3AA, England
Beachcourse Limited	Ordinary	100	Sedley Place, 4th Floor, 361 Oxford Street, London, W1C 2JL
Beeston Site Services Limited	Ordinary	100	1 Thane Road West, Nottingham, NG2 3AA
Benavides de Reynosa, S.A. de C.V.	Ordinary A, Ordinary B	100	Avenida Fundadores 935, int.301, Colonia Valle de Mirador, Monterrey, Nuevo Leon, CP.64750, Mexico
Blyth Pharmacy Limited	Ordinary	77.5	1 Thane Road West, Nottingham, NG2 3AA
Boots 2 Property Partnership	Ordinary	100	Boots - North, 3rd Floor, 79 - 91 High Street, Falkirk, FK1 1ES, Scotland
Boots 2 Property Scottish Limited Partnership	Ordinary	100	Boots - North, 3rd Floor, 79 - 91 High Street, Falkirk, FK1 1ES, Scotland
Boots Benevolent Fund	Ordinary	100	1 Thane Road West, Nottingham, NG2 3AA
Boots Charitable Trust	Ordinary	100	1 Thane Road West, Nottingham, NG2 3AA
Boots Contact Lenses Limited	Ordinary	100	23, Queen Street, St Helier, JE2 4WD, Jersey
Boots Delivery Services Limited	Ordinary	100	1 Thane Road West, Nottingham, NG2 3AA
Boots Eyewear Limited	Ordinary	100	1 Thane Road West, Nottingham, NG2 3AA
Boots International Limited	Ordinary	100	1 Thane Road West, Nottingham, NG2 3AA
Boots International Management Services Limited	Ordinary	100	1 Thane Road West, Nottingham, NG2 3AA
Boots Korea Limited	Ordinary	100	1 Thane Road West, Nottingham, NG2 3AA
Boots Management Services Limited	Ordinary	100	1 Thane Road West, Nottingham, NG2 3AA
Boots Nederland B.V.	Ordinary	100	210, Postbus, s-Hertogenbosch, 5201AE, Netherlands;
Boots Norge AS	Ordinary	100	603, De Amert, Veghel, 5462 GH, Netherlands
Boots Optical Investment Holdings Limited	Ordinary A	58	300, Maridalsveien, Oslo, 0872, Norway;
Boots Opticians Limited	Ordinary	100	P.o Box 4593 Nydalen, Oslo, Norway, 0404
Boots Opticians Professional Services Limited	Ordinary	100	1 Thane Road West, Nottingham, NG2 3AA
Boots Pensions Limited	Ordinary	100	1 Thane Road West, Nottingham, NG2 3AA
Boots PropCo A Limited	Ordinary	100	Sedley Place, 4th Floor, 361 Oxford Street, London, W1C 2JL
Boots PropCo B Limited	Ordinary	100	Sedley Place, 4th Floor, 361 Oxford Street, London, W1C 2JL
Boots PropCo Beeston Limited	Ordinary	100	Sedley Place, 4th Floor, 361 Oxford Street, London, W1C 2JL

Superior Acquisitions Limited

Notes to the financial statements (continued)

for the year ended 31 August 2017

10. Investments (continued)

	Share class	Percentage held by the Company or subsidiary undertakings	Registered address
Boots PropCo C Limited	Ordinary	100	Sedley Place, 4th Floor, 361 Oxford Street, London, W1C 2JL
Boots Propco D Limited	Ordinary	100	Boots - North, 3rd Floor, 79 - 91 High Street, Falkirk, FK1 1ES, Scotland
Boots Propco E Limited	Ordinary	100	Boots - North, 3rd Floor, 79 - 91 High Street, Falkirk, FK1 1ES, Scotland
Boots Propco F Limited	Ordinary	100	Boots - North, 3rd Floor, 79 - 91 High Street, Falkirk, FK1 1ES, Scotland
Boots PropCo Flex Limited	Ordinary	100	Sedley Place, 4th Floor, 361 Oxford Street, London, W1C 2JL
Boots Propco G Limited	Ordinary	100	Boots - North, 3rd Floor, 79 - 91 High Street, Falkirk, FK1 1ES, Scotland
Boots Propco H Limited	Ordinary	100	Boots - North, 3rd Floor, 79 - 91 High Street, Falkirk, FK1 1ES, Scotland
Boots PropCo Limited	Ordinary	100	Sedley Place, 4th Floor, 361 Oxford Street, London, W1C 2JL
Boots PropCo Retail Flex Limited	Ordinary	100	Sedley Place, 4th Floor, 361 Oxford Street, London, W1C 2JL
Boots Properties Limited	Ordinary	100	Nottingham, NG2 3AA
Boots Property HoldCo Limited	Ordinary	100	Sedley Place, 4th Floor, 361 Oxford Street, London, W1C 2JL
Boots Property Partnership	Un-incorporated entity	100	Boots - North, 3rd Floor, 79 - 91 High Street, Falkirk, FK1 1ES, Scotland
Boots Property Scottish Limited Partnership	Un-incorporated entity	100	Boots - North, 3rd Floor, 79 - 91 High Street, Falkirk, FK1 1ES, Scotland
Boots Pure Drug Company Limited	Ordinary	100	D90, 1 Thane Road West, Nottingham, NG2 3AA
Boots Retail (Ireland) Limited	Ordinary	100	2F Block 71A, Park West Business Park, Nangor Road, Dublin 12, Ireland
Boots Retail (Thailand) Limited	Ordinary	100	No 9, 8th Floor, Pakin Building, Ratchadapisek Road, Kwaeng Dindang, Khet Dindang, Bangkok, Thailand
Boots The Chemists Limited	Ordinary	100	Sedley Place, 4th Floor, 361 Oxford Street, London, W1C 2JL
Boots UK Limited	Ordinary	100	Nottingham, NG2 3AA
Brandhandling International Limited	Ordinary	100	ILS Fiduciary (B.V.I.) Limited, P.O. Box 3085, Road Town, Tortola, British Virgin Islands
Casa Saba Brasil Holdings, Ltda	Quotas	100	Av. Das Americas, 2000, Loja 5 Parte, Barra de Tijuca, Rio de Janeiro, CEP 22640-101, Brazil
Caseview (P.L.) Limited	Ordinary	100	20, Alliance Court, Alliance Road, London, W3 0RB,
Centro Farmaceutico Asturiano, S.A.	Ordinary	97.7	C/ Calderon de la Barca 16, Oviedo, Asturias, Spain
Class Delta Limited	Ordinary A, Ordinary B	100	Sedley Place, 4th Floor, 361 Oxford Street, London, W1C 2JL
Comercializadora y Distribuidora BF S.A.	Ordinary	100	Miraflores 383, 6th Floor, Santiago, Chile
Comercializadora y Servicios Benavides, S.A. de C.V.	Ordinary	100	Avenida Fundadores 935, int.301, Colonia Valle de Mirador, Monterrey, Nuevo Leon, CP.64750, Mexico
Compañía de Nutrición General S.A.	Ordinary	100	Miraflores 383, 6th Floor, Santiago, Chile
CPL Pharma Lager und Vertrieb GmbH	Ordinary	100	Solmsstraße 73, Frankfurt am Main, 60486
D200 Energy Limited	Ordinary	100	1 Thane Road West, Nottingham, NG2 3AA,
DDM Healthcare Limited	Ordinary	100	Boots - North, 3rd Floor, 79 - 91 High Street, Falkirk, FK1 1ES, Scotland
Distrilife, Distribuidora Atacadista de Suplementos Alimenticios, Ltda	Quotas	100	147, Galpao 4, sala 17, Av. Talma Rodrigues Ribeiro, 147, Galpao 4, sala 17, Portal do Jacaraípe, Serra/ES, CEP 29173-795, Espírito Santo, Brazil, 29173-795, Brazil
Dollond & Aitchison Limited	Ordinary	100	1 Thane Road West, Nottingham, NG2 3AA,
Droguería, Distribuidora y Logística DLI S.A.	Ordinary	100	Miraflores 383, 6th Floor, Santiago, Chile
Esko İtiyat Sanayi ve Ticaret Anonim Sirketi	Ordinary	100	50.Yıl Mahallesi 2107 Sokak, No:27 Sultan Çiftliği - Gosmanşapa, Istanbul, Turkey
E. Moss, Limited	Ordinary	100	1 Thane Road West, Nottingham, NG2 3AA

Superior Acquisitions Limited

Notes to the financial statements (continued)

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10. Investments (continued)

	Share class	Percentage held by the Company or subsidiary undertakings	Registered address
Farmacias ABC de Mexico, S.A. de C.V.	Ordinary	100	Avenida Chapultepec Sur, 249, Colonia Americana, Zapopan, Jalisco, C.P. 44160, Mexico
Farmacias Ahumada S.A.	Ordinary	100	Miraflores 383, 6th Floor, Santiago, Chile
FARMEXPERT D.C.I. SRL	Ordinary	100	Amilcar C. Sandulescu no. 7, 6th district, Bucharest, Romania
Fasa Investment Limitada	Un-incorporated entity	100	Av. Las Condes, No 14,791, 01, comuna de Lo Barnechea, Santiago, Chile
Forte Direct Limited	Ordinary	100	43, Cox Lane, Chessington, Surrey, KT9 1SN
Forte Pharma Group Limited	Ordinary	100	43, Cox Lane, Chessington, Surrey, KT9 1SN
Forte Pharma Limited	Ordinary	100	43, Cox Lane, Chessington, Surrey, KT9 1SN
GESDAT Gesellschaft für Informationsmanagement mbH	Ordinary	100	Solmsstraße 41, 60486 Frankfurt am Main
Govanhill Pharmacy Limited	Ordinary	52.9	c/o Hardie Caldwell LLP, Citypoint 2, 25 Tyndrum Street, Glasgow, G4 0JY
Hedef International Holdings BV	Ordinary	100	603, De Amert, Veghel, 5462 GH, Netherlands
Inversiones Internacionales Inverfar S.A.	Ordinary	100	Av. Las Condes, No 14,791, 01, comuna de Lo Barnechea, Santiago, Chile
Laboratorios MDK S.A.	Ordinary	100	Miraflores 383, 6th Floor, Santiago, Chile
Leamington Spa Properties (Two) Limited	Ordinary	100	1 Thane Road West, Nottingham, NG2 3AA
Liz Earle Beauty Co. Limited	Ordinary, Ordinary A	100	The Green House, Nicholson Road, Ryde, Isle Of Wight, PO33 1BD
Nareks Ecza Deposu Ticaret Anonim Şirketi	Ordinary	100	Istanbul Esenler Oruc Reis Mh. Giyimkent St. 2.Sk.D3 B19 N.34-35 Istanbul
Nexiapharma, S.L.	Ordinary	100	Poligono Industrial Las Atalayas, finca numero 1, Alicante, Alicante, 03114, Spain
OTC Direct Limited	Ordinary	100	43, Cox Lane, Chessington, Surrey, KT9 1SN
PhD Acquisition Bidco Limited	Ordinary	100	Sedley Place, 4th Floor, 361 Oxford Street, London, W1C 2JL
PhD Acquisition Midco Limited	Ordinary	100	Sedley Place, 4th Floor, 361 Oxford Street, London, W1C 2JL
PhD Nutrition Limited	Ordinary	100	Sedley Place, 4th Floor, 361 Oxford Street, London, W1C 2JL
Ramuneles Vaistine UAB	Ordinary	100	Taikos st. 4-1, Elektrenai, Lithuania
S and G Investments Limited	Ordinary	100	Sedley Place, 4th Floor, 361 Oxford Street, London, W1C 2JL
Servicios Generales Benavides, S.A.de C.V.	Ordinary	100	Avenida Fundadores 935, int.301, Colonia Valle de Mirador, Monterrey, Nuevo Leon, CP.64750, Mexico
Servicios Logísticos Benavides, S.A. de C.V.	Ordinary	100	Avenida Fundadores 935, int.301, Colonia Valle de Mirador, Monterrey, Nuevo Leon, CP.64750, Mexico
Servicios Operacionales Benavides, S.A. de C.V.	Ordinary	100	Avenida Fundadores 935, int.301, Colonia Valle de Mirador, Monterrey, Nuevo Leon, CP.64750, Mexico
Skills in Healthcare GmbH Deutschland	Ordinary	100	Solmsstraße 73, Frankfurt am Main, 60486
Skills in Healthcare Romania S.r.l.	Ordinary	100	Rudeni, City Chitila, street Traian, no. 66A, zone B, (building office), county Ilfov, Romania
Sleek Capital Limited	Ordinary	100	1 Thane Road West, Nottingham, NG2 3AA
Sleek International Limited	Ordinary	100	1 Thane Road West, Nottingham, NG2 3AA
Snipetjernveien 10 AS	Ordinary	100	Snipetjernveien 10, Langhus, 1405, Norway
Soap & Glory GmbH	Ordinary	100	c/o Andreas Korth, KPMG Rechtsanwalts-gesellschaft mbH, Ganghoferstrasse 29, Munich, 80339, Germany
Soap & Glory Limited	Ordinary	100	1 Thane Road West, Nottingham, NG2 3AA
Spits B.V.	Ordinary	100	603, De Amert, Veghel, 5462 GH, Netherlands
SportsPlatform Holdco Limited	Ordinary A	81.3	Sedley Place, 4th Floor, 361 Oxford Street, London, W1C 2JL
SportsPlatform Midco Limited	Ordinary B	46.8	Sedley Place, 4th Floor, 361 Oxford Street, London, W1C 2JL
Sprint Investments 1 Limited	Ordinary	80	2, The Heights Brooklands, Weybridge, Surrey, KT13 0NY

Superior Acquisitions Limited

Notes to the financial statements (continued)

for the year ended 31 August 2017

10. Investments (continued)

	Share class	Percentage held by the Company or subsidiary undertakings	Registered address
Sprint Investments 5 Limited	Ordinary	100	Sedley Place, 4th Floor, 361 Oxford Street, London, W1C 2JL
Stephar B.V.	Ordinary	100	5, Van der Giessenweg, Krimpen ad IJssel, 2921LP, Netherlands; 710, Postbus, Krimpen ad IJssel, 2920CA, Netherlands
The Boots Company PLC	Ordinary	100	NOTTINGHAM, NG2 3AA
The Refinery Limited	Ordinary A, Ordinary B	100	Sedley Place, 4th Floor, 361 Oxford Street, London, W1C 2JL
TPW Acquisition Bidco Limited	Ordinary	100	Sedley Place, 4th Floor, 361 Oxford Street, London, W1C 2JL
TPW Acquisition Midco Limited	Ordinary	100	Sedley Place, 4th Floor, 361 Oxford Street, London, W1C 2JL
UniChem Limited	Ordinary	100	Sedley Place, 4th Floor, 361 Oxford Street, London, W1C 2JL
vitasco GmbH	Ordinary	100	Solmsstraße 73, Frankfurt am Main, 60486
W.H.C.P. (Dundee) Limited	Ordinary	57.5	Wallacetown Health Centre, Lyon Street, Dundee, DD4 6RB
Walgreens Boots Alliance Services Limited	Ordinary	100	2, The Heights, Brooklands, Weybridge, Surrey, KT13 0NY,
Walgreens Boots Alliance Services MC S.A.M.	Ordinary	99.9	24, boulevard du Tenao, Entresols 3 et 2, 98000, Monaco
WBA Acquisitions UK Holdco 5 Limited	Ordinary	80	Sedley Place, 4th Floor, 361 Oxford Street, London, W1C 2JL
WBA Group Limited	Ordinary, Preference	100	Sedley Place, 4th Floor, 361 Oxford Street, London, W1C 2JL
WBA Holdings 1 Limited	Ordinary	100	Sedley Place, 4th Floor, 361 Oxford Street, London, W1C 2JL
WBA Holdings 2	Ordinary	100	Sedley Place, 4th Floor, 361 Oxford Street, London, W1C 2JL
WBA Latin America Limited	Ordinary	100	Sedley Place, 4th Floor, 361 Oxford Street, London, W1C 2JL

11. Deferred tax

The following are the deferred tax assets recognised by the Company and movements thereon during the current and prior periods.

	Tax losses £million	Other short term differences £million	Total £million
At 31 August 2015	-	2	2
Credit to income statement	-	1	1
At 31 August 2016	-	3	3
Credit to income statement	-	1	1
At 31 August 2017	-	4	4

12. Trade and other receivables

	2017 £million	2016 £million
Amounts falling due within one year:		
Amounts owed by Group undertakings	20	27
Included in current assets	20	27

Superior Acquisitions Limited

Notes to the financial statements (continued)

for the year ended 31 August 2017

13. Derivative financial instruments

	2017 £million	2016 £million
Derivatives that are carried at fair value through profit and loss		
Foreign exchange forward contracts	-	(15)
	-	(15)

14. Borrowings

	2017 £million	2016 £million
Amount owed to Group undertakings	7,907	7,910
Total Borrowings	7,907	7,910

	2017 £million	2016 £million
Amounts due for settlement within one year:		
Amount owed to Group undertakings	441	130
	441	130
Amounts due for settlement after one year:		
Amount owed to Group undertakings	5,183	5,497
	5,183	5,497
Amounts due for settlement after five years:	2,283	2,283

Borrowings owed to group undertakings are variable and fixed rate committed loans that mature between 2017 and 2026. These loans, which are denominated in Sterling are fully drawn and their carrying value at 31 August 2017 was £7,907 million (2016: £7,910 million).

15. Trade and other payables

	2017 £million	2016 £million
Amounts falling due within one year:		
Amount owed to Group undertakings	51	295
Other creditors	5	5
	56	300

16. Share capital

	2017 £	2016 £
Authorised		
Unlimited ordinary shares of £1 each (2016: unlimited shares)	Unlimited	Unlimited
Issued and fully paid		
101,003 ordinary shares of £1 each (2016: 101,003 shares)	101,003	101,003

The Company has one class of ordinary shares which carry no right to fixed income.

17. Share premium account

	£million
At 1 September 2015	1,957
Share premium reduction	(600)
At 31 August 2016	1,357
Share premium reduction	(1,357)
At 31 August 2017	-

In November 2016, the share premium of the Company was reduced by £1,357million.

Superior Acquisitions Limited

Notes to the financial statements (continued)

for the year ended 31 August 2017

18. Capital contribution

	£million
At 1 September 2015	2,166
At 31 August 2016	2,166
At 31 August 2017	2,166

19. Retained earnings

	£million
At 1 September 2015	(155)
Profit for the year	734
Share premium reduction	600
Dividends paid	(1,066)
At 31 August 2016	113
Dividends paid	(1,157)
Profit for the year	808
Share premium reduction	1,357
At 31 August 2017	1,121

20. Financial instruments

Categories of financial instruments held at fair value:

	2017 £million	2016 £million
Financial liabilities at fair value		
At fair value through profit or loss	-	(15)
	-	(15)

Changes in value of financial instruments carried at fair value

Profit for the year has been arrived at after charging:

	2017 £million	2016 £million
Financial liabilities at fair value		
At fair value through profit or loss	(30)	(34)
	(30)	(34)

The fair values of financial assets and financial liabilities are determined as follows.

- The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts.

Significant assumptions used in determining fair value of financial assets and liabilities

Derivatives

The Company enters into derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including foreign exchange forward contracts.

21. Ultimate parent undertaking

At 31 August 2017 the Company's immediate parent company was WBA International Limited and its ultimate parent company and controlling party was Walgreens Boots Alliance, Inc. Walgreens Boots Alliance, Inc. is also the parent undertaking of the largest and smallest group in which the Company is consolidated. The consolidated financial statements of the group are available from the Walgreens Boots Alliance website at www.walgreensbootsalliance.com

Walgreens Boots Alliance, Inc. is incorporated in the United States of America, and its principal office address is 108 Wilmot Road, Deerfield, Illinois, 60015.