

Company registration number: 06214468



AB Acquisitions UK Holdco 2 Limited
(a company limited by guarantee)
Strategic report, Directors' report
and financial statements
for the 17 month period ended 31 August 2015

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AB Acquisitions UK Holdco 2 Limited

Strategic report

for the 17 month period ended 31 August 2015

Principal activities

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

Walgreens Boots Alliance, Inc., the Company's new ultimate parent, has an accounting reference date of 31 August. Therefore during the period, the accounting reference date of the Company was changed from 31 March to 31 August, in order to align reporting period ends across the Group. As a result, the current financial period results are for seventeen months ended 31 August 2015 and are not comparable with the comparative results for the year ended 31 March 2014.

Business review

The Company's loss for the financial period was £60,096,000 (2014: £93,036,000 loss).

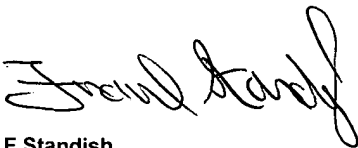
The loss incurred during the period was the result of a £60,096,000 provision for impairment against the carrying value of the Company's investment in Alliance Healthcare Group France.

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 to 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.

There are no business risks for the Company necessary for an understanding of the development, performance or position of the business.

By order of the Board:



F Standish
Company Secretary
18 December 2015

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

Registered in England and Wales No. 06214468

AB Acquisitions UK Holdco 2 Limited

Directors' report

for the 17 month period ended 31 August 2015

The Directors present their report and the audited financial statements for the 17 month period ended 31 August 2015.

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

The Directors do not recommend the payment of a dividend (2014: £nil).

Directors

The following served as Directors during the period:

A Clare
M Delve
F Standish

The Group places Directors' and Officers' insurance centrally and provides coverage for Directors' and Officers' liability exposure.

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.

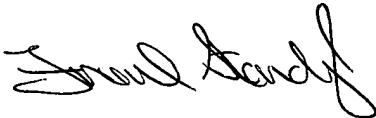
Auditors

KPMG LLP resigned as auditor of the Company on 11 May 2015, pursuant to section 516 of the Companies Act 2006. On 10 September 2015 Deloitte LLP were appointed as auditor of the Company.

Disclosure of information to auditor

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 auditor is 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 auditor is 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:



F Standish
Company Secretary
18 December 2015

Registered Office:
Sedley Place
4th Floor
361 Oxford Street
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AB Acquisitions UK Holdco 2 Limited

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

for the 17 month period ended 31 August 2015

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 period. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent auditor's report

to the members of AB Acquisitions UK Holdco 2 Limited

We have audited the financial statements of AB Acquisitions UK Holdco 2 Limited for the 17 month period ended 31 August 2015 which comprise of the Profit and loss account, the Balance sheet and related notes 1 to 7. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditor

As explained more fully in the Statement of Directors' responsibilities set out on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 August 2015 and of its loss for the 17 month period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

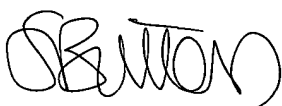
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



S Butters (Senior Statutory Auditor)
for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor
3 Rivergate
Temple Quay
Bristol
BS1 6GD
United Kingdom
18 December 2015

AB Acquisitions UK Holdco 2 Limited

Profit and loss account

for the 17 month period ended 31 August 2015

	Notes	2015 £000	2014 £000
Operating costs		(60,096)	(93,036)
Operating loss	2	(60,096)	(93,036)
Tax on loss on ordinary activities	3	-	-
Loss for the financial period		(60,096)	(93,036)

There are no recognised gains and losses for the current and preceding financial periods other than the loss of £60,096,000 (2014: £93,036,000 loss) shown above. Accordingly, no statement of recognised gains and losses is presented.

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

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

AB Acquisitions UK Holdco 2 Limited

Balance sheet as at 31 August 2015

	Notes	31 August 2015 £000	31 March 2014 £000
Fixed assets			
Investments	4	312,715	32,465
Total assets		312,715	32,465
Creditors: amounts falling due after more than one year	5	(25)	(25)
Net assets		312,690	32,440
Capital and reserves			
Capital contribution	6	564,610	224,264
Profit and loss account	6	(251,920)	(191,824)
Capital and reserves		312,690	32,440

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

These financial statements were approved by the Board on 18 December 2015 and were signed on its behalf by:



M Delve
Director

AB Acquisitions UK Holdco 2 Limited

Notes to the financial statements

for the period ended 31 August 2015

1. Accounting policies

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

Basis of preparation

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

Walgreens Boots Alliance, Inc., the Company's new ultimate parent, has an accounting reference date of 31 August. Therefore during the period, the accounting reference date of the Company was changed from 31 March to 31 August, in order to align reporting period ends across the Group. As a result, the current financial period results are for seventeen months ended 31 August 2015 and are not comparable with the comparative results for the year ended 31 March 2014.

Walgreens Boots Alliance, Inc. ("the Group"), the ultimate parent entity, 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 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 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements and deliver them to the Registrar of Companies. The financial statements therefore present information about the Company as an individual undertaking and not about its group.

The Directors consider that the Company has adequate resources, including a £1,000 loan facility to 28 March 2017, to remain in operation for the foreseeable future, and have therefore continued to adopt the going concern basis for preparing the financial statements.

Foreign currencies

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.

Investments

Investments are stated at cost less provision for impairment.

Impairment of assets

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

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.

Equity

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 equity instruments or is a derivative that will be settled only by the Company exchanging a fixed amount of cash or other assets for a fixed number of its own equity instruments.

Equity instruments are recorded as capital contributions, 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.

AB Acquisitions UK Holdco 2 Limited

Notes to the financial statements (continued)

for the 17 month period ended 31 August 2015

2. Operating loss

	2015 £000	2014 £000
Operating loss	(60,096)	(93,036)

Operating loss is stated after charging:

	2015 £000	2014 £000
Impairment charge ¹	(60,096)	(93,036)

¹ The impairment charge is described in note 4.

Auditor's remuneration

The 2015 fee for the audit of these financial statements was borne by a fellow group undertaking. The amount allocated that would have been incurred is £1,000 (2014: £1,000).

Staff numbers and costs

The Directors have not received any remuneration for their services to the Company either during the current or preceding period. There were no employees during the current or preceding period.

3. Tax on loss on ordinary activities

An analysis of the tax on loss for the period ended 31 August is presented as follows:

	2015 £000	2014 £000
Current tax		
<i>United Kingdom ('UK') corporation tax</i>		
Corporation tax on loss for the period at 20.7% (2014: 23.0%)	-	-
Tax on loss on ordinary activities	-	-

The current tax for the financial period is lower (2014: lower) than the weighted average standard rate of corporation tax of 20.7% (2014: 23.0%). The differences are explained below:

	2015 £000	2014 £000
Loss on ordinary activities before tax	(60,096)	(93,036)
Current tax at effective rate of 20.7% (2014: 23.0%)	12,440	21,398
Effects of:		
Impairment of investment	(12,440)	(21,398)
Total current tax	-	-

Factors that may affect future current and total tax charges

During the period to 31 August 2015, the UK Government announced that the corporation tax rate would reduce by 1% from 1 April 2017 to 19% and a further 1% from 1 April 2020 to 18%. These further changes to the tax rate have not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

AB Acquisitions UK Holdco 2 Limited

Notes to the financial statements (continued)

for the 17 month period ended 31 August 2015

4. Fixed asset investments

	Shares in subsidiary undertakings £000
Cost	
At 1 April 2014	32,465
Additions	340,346
Impairment	(60,096)
At 31 August 2015	312,715

The Company's investment represents a direct holding in 100% of the share capital and voting rights in Alliance Healthcare Group France, a company incorporated in France, which owns the pharmaceutical wholesale business and the contract manufacturing business of the Walgreens Boots Alliance, Inc. group in France.

On 2 January 2015, the Company subscribed for a further 14,293,120 shares of €0.16 each in Alliance Healthcare Group France at a price of €435,587,000 (equivalent to £340,346,000).

The provision for impairment recognised during the period relates to the Directors' judgement of the permanent reduction in the carrying value of the Company's directly held investments when compared to their recoverable amount, and as such the investment in Alliance Healthcare Group France has been impaired by £60,096,000.

As at 31 August 2015, the cumulative impairment recognised within fixed asset investment cost was £251,916,000 (at 31 March 2014: £191,820,000).

The Company's subsidiary undertakings at the balance sheet date were:

	Share class	Percentage held by the Company or subsidiary undertakings	Country of incorporation or principal place of business
Directly owned			
Alliance Healthcare Group France	Ordinary	100.0	France
Indirectly held			
Alcura France	Ordinary	99.8	France
Alliance Healthcare Formation	Ordinary	100.0	France
Alliance Healthcare France SA (AHF)	Ordinary	99.8	France
Alliance Healthcare Répartition	Ordinary	100.0	France
Alloga France	Ordinary	100.0	France
Almus France	Ordinary	100.0	France
Alphega	Ordinary	99.7	France
BCM Cosmetique SAS	Ordinary	100.0	France
Directfog	Ordinary	100.0	France
Serex	Ordinary	100.0	France
Skills in Healthcare France	Ordinary	100.0	France
Woodglen Properties Limited	Ordinary	100.0	Ireland

AB Acquisitions UK Holdco 2 Limited

Notes to the financial statements (continued)

for the 17 month period ended 31 August 2015

5. Creditors: amounts falling due after more than one year

	31 August 2015 £000	31 March 2014 £000
Amounts owed to group undertakings	25	25
	25	25

6. Reconciliation of movements in equity

	Capital contribution £000	Profit and loss account £000	Total £000
At 1 April 2013	224,264	(98,788)	125,476
Loss for the financial period	-	(93,036)	(93,036)
At 1 April 2014	224,264	(191,824)	32,440
Capital contribution	340,346	-	340,346
Loss for the financial period	-	(60,096)	(60,096)
At 31 August 2015	564,610	(251,920)	312,690

AB Acquisitions UK Holdco 2 Limited is a company limited by guarantee with no share capital. In the event of a winding up, the members are liable to make a maximum contribution of £1 each to the Company.

On 2 January 2015, Alliance Boots International Limited, the Company's immediate parent company, made a capital contribution of €435,587,000 (equivalent to £340,346,000).

7. Ultimate parent undertaking

At 31 August 2015, the Company's immediate parent company was Alliance Boots 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 this 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.