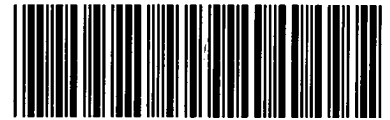


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**WBA 1 Scottish LLP**  
**Financial statements**  
for the year ended 31 August 2021

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## **WBA 1 Scottish LLP**

### **Statement of Members' responsibilities for the year ended 31 August 2021**

The Members are responsible for preparing the Limited Liability Partnership financial statements in accordance with applicable law and regulations.

The Limited Liability Partnerships (Accounts & Audit) (Application of Companies Act 2006) Regulations 2008 require the Members to prepare financial statements for each financial year. Under that law the members 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'. The financial statements are required by law to give a true and fair view of the state of affairs of the Limited Liability Partnership and of the profit or loss of the Limited Liability Partnership for that period. In preparing these financial statements, the Members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Members are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Limited Liability Partnership and enable them to ensure that the financial statements comply with the Companies Act 2006, as applicable to limited liability partnerships. They are also responsible for safeguarding the assets of the Limited Liability Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## WBA 1 Scottish LLP

### Balance sheet

As at 31 August 2021

	Notes	2021 \$	2020 \$
<b>Assets</b>			
<b>Current assets</b>			
Trade and other receivables	7	154	154
		<b>154</b>	<b>154</b>
<b>Net assets attributable to Members</b>		<b>154</b>	<b>154</b>
<b>Members' other interests</b>			
Members' capital accounts classified as equity	8	157	157
Other interests – other reserves classified as equity	9	(3)	(3)
		<b>154</b>	<b>154</b>
<b>Total Members' Interests</b>		<b>154</b>	<b>154</b>

The accompanying notes to the financial statements are an integral part of the Limited Liability Partnership's financial statements.

For the year to 31 August 2021, the Limited Liability Partnership was entitled to exemption from audit under section 480 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 relating to dormant Limited Liability Partnerships.

The Members acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements of WBA 1 Scottish LLP were approved by the Members and authorised for issue on 16 December 2021. They were signed on its behalf by:



Walgreens Boots Alliance US 1 LLC member, acting by attorney

Registered in Scotland No. SO305116

## WBA 1 Scottish LLP

### Statement of changes in Members' interests for the year ended 31 August 2021

	Members' capital accounts classified as equity \$	Other reserves \$	Total Members' other interests \$	Total Members' interests \$
At 1 September 2019	157	(3)	154	154
Members' remuneration charged as an expense	-	-	-	-
Result for the financial year available for discretionary division among Members	-	-	-	-
At 31 August 2020	157	(3)	154	154
Members' remuneration charged as an expense	-	-	-	-
Result for the financial year available for discretionary division among Members	-	-	-	-
At 31 August 2021	157	(3)	154	154

The accompanying notes to the financial statements are an integral part of the Limited Liability Partnership's financial statements.

## WBA 1 Scottish LLP

### Notes to the financial statements

for the year ended 31 August 2021

#### 1. General information

WBA 1 Scottish LLP (the "Limited Liability Partnership") is a Limited Liability Partnership and is registered in Scotland.

The address of the registered office is Boots North Office, 3<sup>rd</sup> Floor, 79-81 High Street, Falkirk FK1 1ES, Scotland.

These financial statements are presented in US dollars because that is the currency of the primary economic environment in which the Limited Liability Partnership operates.

These financial statements are separate financial statements. The Limited Liability Partnership 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](http://www.walgreensbootsalliance.com). The principal office of the parent company preparing consolidated accounts is 108 Wilmot Road, Deerfield, Illinois, 60015, United States of America.

#### 2. Adoption of new and revised standards

##### Impact of initial application of other amendments to IFRS Standards and Interpretations

In the current year, the Limited Liability Partnership has applied the below amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after 1 January 2020. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to References to the Conceptual Framework in IFRS Standards	The Company has adopted the amendments included in <i>Amendments to References to the Conceptual Framework in IFRS Standards</i> for the first time in the current year. The amendments include consequential amendments to affected Standards so that they refer to the new Framework. Not all amendments, however, update those pronouncements with regard to references to and quotes from the Framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASB Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework. The standards which are amended are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.
Amendments to IAS 1 and IAS 8 <i>Definition of material</i>	The Company has adopted the amendments to IAS 1 and IAS 8 for the first time in the current year. The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.  The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'.

#### 3. Significant accounting policies

##### Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards, including the Statement of Recommended Practice (SORP) 2010 "Accounting by Limited Liability Partnerships" issued in March 2011, under the historical cost convention, and in accordance with Financial Reporting Standard 101 ("FRS 101") issued by the Financial Reporting Council. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

The Limited Liability Partnership 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 paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*;
- (g) the requirements of paragraph 17 of IAS 24 *Related Party Disclosures*; and
- (h) 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

Where relevant, equivalent disclosures have been given in the group accounts of Walgreens Boots Alliance, Inc.

**WBA 1 Scottish LLP**  
**Notes to the financial statements (continued)**  
for the year ended 31 August 2021

**3. Significant accounting policies (continued)**  
**Basis of accounting (continued)**

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 Limited Liability Partnership 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 share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

The principal accounting policies adopted are set out below.

**Taxation**

The Limited Liability Partnership is regarded as transparent for UK tax purposes. Accordingly, no provision for taxation has been made in these financial statements.

**Financial instruments**

Financial assets and financial liabilities are recognised in the Limited Liability Partnership's balance sheet when the Limited Liability Partnership becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value except for trade receivables that do not contain a significant financing component or for which the Limited Liability Partnership has applied the practical expedient and which are measured at the transaction price determined under IFRS 15. 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. Financial assets are measured subsequently at either amortised cost or fair value depending on their classification. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

**Amortised cost and effective interest rate 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.

**Impairment of financial assets**

The Limited Liability Partnership recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVOCI and contract assets (as defined in IFRS 15).

The Limited Liability Partnership measures loss allowances at an amount equal to lifetime ECL, except for other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition which are measured as 12-month ECL.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Limited Liability Partnership considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Limited Liability Partnership's historical experience and informed credit assessment and including forward-looking information.

**Measurement of ECLs**

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Limited Liability Partnership expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

**Credit-impaired financial assets**

At each reporting date, the Limited Liability Partnership assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

**Write-offs**

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

# WBA 1 Scottish LLP

## Notes to the financial statements (continued)

for the year ended 31 August 2021

### 3. Significant accounting policies (continued)

#### Financial instruments (continued)

##### *Derecognition of financial assets*

The Limited Liability Partnership 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 Limited Liability Partnership neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Limited Liability Partnership recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Limited Liability Partnership retains substantially all the risks and rewards of ownership of a transferred financial asset, the Limited Liability Partnership continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in equity instrument which the Limited Liability Partnership has elected on initial recognition to measure at FVOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to the profit and loss reserve.

On derecognition of a financial asset other than in its entirety (e.g. when the Limited Liability Partnership retains an option to repurchase part of a transferred asset), the Limited Liability Partnership 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.

##### *Financial liabilities and equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement and the definitions of a financial liability and an equity instrument.

##### *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Limited Liability Partnership are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Limited Liability Partnership's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Limited Liability Partnership's own equity instruments.

##### *Financial liabilities*

All financial liabilities, including borrowings, are measured subsequently at amortised cost using the effective interest method or at FVPL.

##### *Financial liabilities at FVPL*

Financial liabilities are classified as at FVPL when the financial liability is (i) held for trading or (ii) it is designated as at FVPL. A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Limited Liability Partnership manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Limited Liability Partnership's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVPL.

##### *Financial liabilities measured subsequently at amortised cost*

Financial liabilities that are not (i) held-for-trading, or (ii) designated as at FVPL are measured subsequently at amortised cost using the effective interest method.

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.

##### *Derecognition of financial liabilities*

The Limited Liability Partnership derecognises financial liabilities when, and only when, the Limited Liability Partnership's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

##### *Members' capital*

No interest is charged on the Members' capital.



**WBA 1 Scottish LLP**  
**Notes to the financial statements (continued)**  
for the year ended 31 August 2021

**4. Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Limited Liability Partnership's accounting policies, which are described in note 3, the Members 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.

During the year, there were no critical accounting judgements.

**5. Members' remuneration charged as an expense**

The Members of the Limited Liability Partnership did not receive any remuneration from the Limited Liability Partnership during the current or preceding financial year.

The average number of Members of the Limited Liability Partnership during the year was two (2020: two).

Apart from the Members, there were no other employees of the Limited Liability Partnership during the year (2020: nil).

**6. Result for the financial year available for discretionary division among Members**

Members are entitled to a share of the profits and losses of the Limited Liability Partnership in accordance with section 8 of the Limited Liability Partnership Members' Agreement dated 30 December 2014. Clause 8.4 of the Limited Liability Partnership Members' Agreement also states that, for the avoidance of doubt, notwithstanding that any loss shall be allocated to the Members, the Limited Liability Partnership shall bear its own losses and no Members shall be obliged to make any further Capital Contribution to the Limited Liability Partnership to cover such loss.

**7. Trade and other receivables**

	2021	2020
	\$	\$
Amounts owed by Group undertakings	154	154

**8. Members' capital accounts classified as equity**

	2021	2020
	\$	\$
Members' capital accounts classified as equity	157	157

**9. Other interests – other reserves classified as equity**

	2021	2020
	\$	\$
Other interests – other reserves classified as equity	(3)	(3)

**10. Ultimate parent undertaking**

At 31 August 2021, the Limited Liability Partnership had two Members: Walgreens Boots Alliance US 1 LLC and WBA Scottish 3 LP. 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 Limited Liability Partnership is consolidated. The consolidated financial statements of this group are available from the Walgreens Boots Alliance website at [www.walgreensbootsalliance.com](http://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.