BOOTS SUPPLEMENTARY PENSION PLAN

REPORT AND STATEMENT OF ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2023

BOOTS SUPPLEMENTARY PENSION PLAN

Trustees:	Mr M G Bunting* Mr J Ward (resigned 31 March 2023) Ms A Cassell-Ward (appointed 31 March 2023/resigned 31 August 2023) Mr R Oppenheim (resigned 1 January 2023) The Law Debenture Pension Trust Corporation PLC (appointed 1 January 2023) – full list of Directors available at Companies House Ms AC Farrell * *Member Nominated
Secretary:	Mr S Jones
Actuaries	Aon Solutions UK Ltd 3 The Embankment Sovereign Street Leeds LS1 4BJ
"Scheme Actuary" (as defined in the Pensions Act 1995)	Mr R Mellor
Auditor	KPMG LLP 1 St Peter's Square Manchester M2 3AE Resigned 2 February 2023 RSM UK Audit LLP 103 Colmore row Birmingham B5 3AG Appointed 6 February 2023
Banker	National Westminster Bank PLC 148-149 Victoria Centre Nottingham, NG1 3QT
Investment Manager	Legal & General Investment Management Ltd One Coleman Street London, EC2R 5AA
Annuity Provider	Legal & General Assurance Society Ltd One Coleman Street London, EC2R 5AA
Investment Adviser	AON Investments Ltd The Leadenhall Building 122 Leadenhall Street London, EC3V 4AN
Legal Advisor	Sacker & Partners LLP 20 Gresham Street London, EC2V 7JE
Sponsoring Employer	The Boots Company PLC ('Company') 1 Thane Road West Nottingham, NG2 3AA
Participating Employer/ Administrator	Boots UK Ltd/Boots Management Services Ltd 1 Thane Road West Nottingham, NG2 3AA

Pension Schemes Registry: Reference Number 10125194

All enquiries should be addressed to the Secretary to the Trustees,
1 Thane Road West, Nottingham, NG2 3AA
Group.Pensions@Boots.co.uk

BOOTS SUPPLEMENTARY PENSION PLAN

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2023

1 The Plan was established with effect from 31 March 1982 to provide additional benefits to those provided by the Boots Pension Scheme. The Plan is a “registered pension scheme” for tax purposes. The Trustees know of no reason why this approval should be prejudiced or withdrawn.

2 During the year under review, the Trustees of the Plan met on several occasions.
The Pensions Act 2004 requires that at least one-third of the Trustees are Member Nominated. The Trustees have agreed with the Company that the Trustee Board will consist of four Trustees, two Company appointed and two Member Nominated. When member nominations are required, they will be sought from all categories of membership and Member Nominated Trustees will be selected from the nominations received, by a Selection Panel established by the Trustees. The Trustees are appointed and removed by the Employer, other than Member Nominated Trustees who can be removed if they cease to be a member of the Plan or by agreement of all other Trustees. Mr Oppenheim resigned as Chairman with effect from 1 January 2023 and was replaced by The Law Debenture Pension Trust Corporation PLC. Mr Ward resigned on 31 March 2023 and was replaced by Ms Cassell-Ward. Ms Cassell-Ward subsequently resigned on 31 August 2023 and has yet to be replaced.

3 The movement in membership during 2022/2023 was as follows:

	Preserved Pensioners	Pensioners	Spouses and Dependants	**Totals**
Opening Balance at 01.04.2022	**8**	**92**	**12**	**112**
Transfer Out				
Retirement	(1)	1		
Death		(3)	(2)	(5)
Dependents			1	1
Membership at 31.03.2023	**7**	**90**	**11**	**108**
Movement during year	**(1)**	**(2)**	**(1)**	**(4)**

4 Since 1 July 2010, there have been no active members of the Plan and the Plan is effectively closed to future accrual.

5 Under the Finance Act 1989, benefits under the Plan had to be restricted if pensionable earnings exceeded the "cap" determined in accordance with the provisions of the Act. The "cap" applied to those Plan members who joined the Boots Pension Scheme, or the scheme of a company which had been acquired by The Boots Company, on or after 1 June 1989. It was initially set at £60,000 per annum, and, with just one exception, was revised each year in line with the Retail Prices Index. The "cap" was up-rated to £105,600 per annum for the year commencing 6 April 2005.

6 Pensions in payment are reviewed each year on 1 April and, if applicable, increased by the lower of 5% and the increase in the Retail Prices Index over the 12 months to the previous 30 September. As the movement in the Index over the year in question was 12.6%, pensions in payment were increased by 5% on 1 April 2023 (4.9% on 1 April 2022). Similarly, preserved pensions were increased by 5% (but subject to any overriding statutory requirements)

7 The Trustees' investment strategy is set out in the Statement of Investment Principles. The investment manager, Legal & General, is not tasked with achieving a specific investment return, the Trustees having chosen to invest in the funds set out below with the aim of broadly matching the Plan's assets to its accrued liabilities as far as practicable to contain risk. The Trustees do however monitor performance of the respective funds against appropriate indices. The Trustees also monitor whether the strategy is meeting the objective. Performance figures for the 12, 36 and 60 months to 31 March 2023 have been included below.

The Plan's investments are in line with the Statement of Investment Principles (SIP) approved by the Trustees. The Trustees approved a new SIP in August 2022 implementing the new requirements as required under the new regulations (a copy at https://www.wba-boots-pensions.co.uk/boots-pension-scheme/login/). The Implementation Statement is set out on pages 24 to 26 and forms part of the Trustees report. The Plan's investment manager, Legal & General, aims to achieve positive societal impacts, in the belief it will create more sustainable long-term value.

As part of their delegated responsibilities, the Trustees expect the Plan's investment managers to:

▪ Take into account environmental, social and governance considerations in the selection, retention and realisation of investments; and

▪ Exercise the Trustees' voting rights in relation to Plan assets, if relevant.

The Trustees periodically monitor the Plan's investments to consider the extent to which the investment strategy and decisions are aligned with the Trustees' policies, including those on non-financial matters. This includes, where possible and appropriate, monitoring the extent to which investment managers:

▪ Make decisions based on assessments about medium- to long-term financial and non-financial performance of an issuer of debt or equity; and

▪ Engage with issuers of debt in order to improve their performance in the medium- to long-term.

The Trustees receive periodic reports and verbal updates from Aon on various items including the investment strategy, performance, and longer-term positioning of the portfolio. The Trustees focus on longer-term performance when considering the ongoing suitability of the investment strategy in relation to the Plan's objective and will typically assess the investment managers over 3-year periods.

The Trustees share the policies, as set out in this SIP, with LGIM, and request that they review and confirm whether their approach is in alignment with the Trustees' policies.

The Trustees believe that having appropriate governing documentation, setting clear expectations, and regular monitoring of LGIM's performance and investment strategy, is in most cases sufficient to incentivise them to make decisions that align with the Trustees' policies and are based on assessments of medium- and long-term financial and non-financial performance.

There is typically no set duration for arrangements with investment managers, although the continued appointment for LGIM will be reviewed periodically.

The Trustees are aware of the importance of monitoring LGIM's total costs and the impact these costs can have on the overall value of the Plan's assets. The Trustees recognise that in addition to annual management charges, there are a number of other costs incurred by their actions that can increase the overall cost incurred by their investments.

The Trustees collect annual cost transparency reports covering their investments and ask that LGIM provide this data in line with appropriate industry recognised templates for each asset class.

The Trustees accept that transaction costs will be incurred to drive investment returns and that the level of these costs varies across asset classes. In both cases, a high level of transaction costs is acceptable as long as it is consistent with the asset class characteristics and manager's style and historic trends. Where the Trustees' monitoring identifies a lack of consistency the mandate will be investigated and reviewed. Targeted portfolio turnover is defined as the expected frequency with which each underlying investment managers' fund holdings change over a year.

The Trustees undertake analysis of the Plan's costs and performance on typically a 3-yearly basis by receiving benchmarking analysis comparing the Plan's specific costs and performance of the underlying managers relative to those of the wider market. This is in line with the Trustees' policies on reviewing the kinds and balance of investments to be held.

REPORT OF THE TRUSTEES (continued)

At 31 March 2023, the Plan held the following investments with Legal & General:

			Last 12 months' performance		Last 3 years' performance		Last 5 years' performance	
Investments	Market Value (Bid Value) £	% of Fund	Return on Fund %	Return on Index %	Return on Fund %	Return on Index %	Return on Fund %	Return on Index %
Liquidity Fund	2,905,715		2.3	2.2	0.9	0.8	0.8	0.7
LDI 6A Interest Rate hedged	1,527,298		10.0	-9.7	-4	-3.7	-1.3	-1.1
	4,433,013	10.0						
LGAS Annuity	39,900,000	90.0						
Total	44,333,013	100.0						

The Plan's return was (£14.6m) on an opening investment value of £59.8m

The Plan's assets are invested with Legal & General Investment Management Ltd as noted above. In addition, during the year there has been a buy-in for £48,565,847.49. This took place on 4 July 2022. The Bulk Purchase Annuity Agreement (the "Annuity") is with Legal & General Assurance Society ("LGAS"). The Annuity aims to wholly cover the benefits payable to all members of the Plan.

8 The latest actuarial valuation as at 1 April 2021 was undertaken under the requirements of the Pensions Act 2004 ("PA04"). The valuation was completed on 17 January 2023.

Under the PA04, the Trustees and the Company decide the Technical Provisions, these being the target level of assets appropriate to meet the promised benefits. The Statutory Funding Objective under the PA04 is to hold sufficient and appropriate assets to meet the Technical Provisions. The Trustees prepared a Statement of Funding Principles on 17 January 2023, as required by the PA04, which sets out the Trustees' policy for meeting the Statutory Funding Objective.

The 2021 valuation showed that the Plan had a surplus of £6.4m which corresponded to a funding level of 112% and therefore no ongoing contributions are required.

The Actuarial Certification of the Schedule of Contributions, which is reproduced on page 7, certifies that the contributions outlined in that Schedule are such that the Statutory Funding Objective is expected to continue to be met for the period the Schedule is in force, and the Schedule of Contributions is consistent with the Statement of Funding Principles dated 17 January 2023.

9 Each year the Trustees issue a Summary Funding Statement to all members.

10 Details relating to the Plan have been registered with the Pensions Regulator. The Pensions Regulator is based at:

Napier House
Trafalgar Place
Brighton
BN1 4DW
Tel: 0345 600 7060

The address of MaPS, Money and Pension Service and the Pensions Ombudsman, are:

MaPS – Money and Pension Service
120 Holborn
London
EC1N 2TD
Tel: 0800 011 3797

Pensions Ombudsman
10 South Colonnade
Canary Wharf
E14 4PU
Tel: 0800 917 4487

MaPS is available at any time to assist members and beneficiaries of pension schemes in connection with any pension queries they may have; or difficulty which they have failed to resolve with the trustees or administrators of the Plan.

The Pensions Ombudsman, in turn, may investigate and determine any complaint or dispute of fact or law in relation to an occupational pension scheme. It is, however, envisaged that members of the Plan would need to approach MaPS or the Ombudsman only as a last resort, and all enquiries or concerns should initially be directed to the Secretary to the Trustees at 1 Thane Road West, Nottingham, NG2 3AA.

11 The financial statements of the Plan for the year ended 31 March 2023 are set out on pages 13 to 21 and the Auditor's statement about contributions, and the Trustees' summary of contributions are set out on pages 22 & 23. The financial statements have been prepared and audited in accordance with Sections 41(1) and (6) of the Pensions Act 1995, other than the fact that they were approved after 7 months of the year end due to putting in place the deeds to appoint and remove trustees.

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ACTUARIAL CERTIFICATION OF THE SCHEDULE OF CONTRIBUTIONS

Name of Scheme: Boots Supplementary Pension Plan

Adequacy of rates of contributions

1. I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective could have been expected on 1 April 2021 to continue to be met for the period for which the schedule is to be in force.

Adherence to statement of funding principles

2. I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated 17 January 2023.

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the Plan's liabilities by the purchase of annuities, if the Plan were wound up.

Signature:

Date: 18 January 2023

Name: Robert Mellor

Qualification: Fellow of the Institute and Faculty of Actuaries

Address: 3 The Embankment
Sovereign Street
Leeds
West Yorkshire
LS1 4BJ

Name of employer: Aon Solutions UK Limited

Boots Supplementary Pension Plan - Report on Actuarial Liabilities

Under Section 222 of the Pensions Act 2004, every pension scheme is subject to the Statutory Funding Objective, which is to have sufficient and appropriate assets to cover its technical provisions. The technical provisions represent the present value of the benefits members are entitled to in the Plan. This is assessed using the assumptions agreed between the Trustees and the Company and set out in the Statement of Funding Principles dated 17 January 2023, which is available to Plan members on request.

The most recent full actuarial valuation of the Plan was carried out as at 1 April 2021. This showed that on that date:

The value of the technical provisions was: £55.1 million

The value of the assets was: £61.5 million

The signing of the valuation was delayed as a result of the strategic review of the business carried out by WBA during the valuation process, which had the potential to materially affect the Trustee's assessment of the Company's covenant. This was reported to the Pension Regulator.

The most recent actuarial report of the Plan, which is required in years where a full actuarial valuation is not carried out, was carried out as at 1 April 2022. This showed that on that date:

	1 April 2022
Value of Technical Provisions (£M)	52.4
Market value of assets (£M)	60.1

The method and significant actuarial assumptions used to determine the technical provisions are as follows (all assumptions adopted are set out in the Appendix to the Statement of Funding Principles):

Method

The actuarial method used in the calculation of the technical provisions is the Current Unit Method.

Significant financial assumptions

Discount interest rate: Term dependent rates set by reference to the fixed interest gilt yield curve at the valuation date plus an addition of 0.5% per annum.

Future Retail Prices Index inflation: Term dependent rates derived from the fixed interest and index-linked gilt yield curves at the valuation date.

Deferred pension increases: Annual increases derived from the underlying RPI inflation assumption allowing for the maximum of 5% per annum and the minimum of 0% per annum.

Pensions in payment increases: Derived from the underlying RPI inflation assumption allowing for the maximum of 5% per annum and the minimum of 0% per annum.

Expenses: A loading of 4% of liabilities accrued to the valuation date is included in the technical provisions.

Significant demographic assumptions

Post-retirement mortality: Standard tables SAPS S3 "Very Light" with a scaling factor of 100% making allowance for improvements in mortality in line with the CMI 2020 Core Projections with a smoothing parameter S_k = 7.0, an "A" parameter A = 0.50 and a long term annual rate of improvement in mortality rates of 1.5% per annum.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The financial statements, which are prepared in accordance with UK Generally Accepted Accounting Practice, including the Financial Reporting Standard applicable in the UK (FRS 102) are the responsibility of the trustees. Pension scheme regulations require, and the trustees are responsible for ensuring, that those financial statements:

- show a true and fair view of the financial transactions of the plan during the plan year and of the amount and disposition at the end of the plan year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the plan year, and

- contain the information specified in Regulation 3A of The Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including a statement whether the financial statements have been prepared in accordance with the relevant financial reporting framework applicable to occupational pension schemes.

In discharging the above responsibilities, the trustees are responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis, and for the preparation of the financial statements on a going concern basis unless it is inappropriate to presume that the plan will not be wound up.

The trustees are also responsible for making available certain other information about the plan in the form of an annual report.

The trustees also have a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to them to safeguard the assets of the plan and to prevent and detect fraud and other irregularities including the maintenance of an appropriate system of internal control.

The trustees are responsible under pensions legislation for preparing, maintaining and from time to time reviewing and if necessary revising a schedule of contributions showing the rates of contributions payable towards the plan by or on behalf of the employer and the active members of the plan and the dates on or before which such contributions are to be paid. The trustees are also responsible for keeping records in respect of contributions received in respect of any active member of the plan and for adopting risk-based processes to monitor whether contributions are made to the plan by the employer in accordance with the schedules of contributions. Where breaches of the schedule occur, the trustees are required by the Pensions Acts 1995 and 2004 to consider making reports to The Pensions Regulator and the members.

The trustees are responsible for the maintenance and integrity of the pension and financial information included on the Boots Supplementary Pension Plan website.

On behalf of the Trustees on 14th December 2023

Alan Baker, Director for The Law Debenture Pension Trust Corporation p.l.c

The Law Debenture Pension Trust Corporation PLC

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE BOOTS SUPPLEMENTARY PENSION PLAN

Opinion

We have audited the financial statements of the Boots Supplementary Pension Plan ("the Plan") for the year ended 31 March 2023 which comprise Fund Account, Net Assets Statement (available for benefits) and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- show a true and fair view of the financial transactions of the Plan during the year ended 31 March 2023, and of the amount and disposition at that date of its assets and liabilities, other than the liabilities to pay pensions and benefits after the end of the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

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 Plan 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

In auditing the financial statements, we have concluded that the Plan's trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Plan's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Plan's trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Plan's trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 this regard.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees 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 trustees are responsible for assessing the Plan'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 trustees either intend to liquidate the Plan 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the environment, including the legal and regulatory framework that the Plan operates in and how the Plan is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are the Pensions Act 1995 and 2004 and regulations made under them and FRS 102, including the Financial Reports of Pension Schemes 2018 (the Pensions SORP). We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates.

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

Use of our report

This report is made solely to the Plan's trustees as a body, in accordance with Regulation 3 of the Occupational Pension Schemes (Requirements to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 made under the Pensions Act 1995. Our audit work has been undertaken so that we might state to the Plan's trustees 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 Plan and the Plan's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
103 Colmore Row
Birmingham
West Midlands
B3 3AG

Date: 15th December 2023

BOOTS SUPPLEMENTARY PENSION PLAN

FINANCIAL STATEMENTS

FUND ACCOUNT FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
CONTRIBUTIONS AND BENEFITS			
Benefits payable	4	(2,416,822)	(2,377,921)
Payments to and on account of leavers	5	-	(595,634)
Administrative expenses	6	(271,928)	(117,933)
Net withdrawals from dealings with members		(2,688,750)	(3,091,488)
RETURNS ON INVESTMENTS			
Investment income	7	1,553,522	30
Change in market value of investments	8	(14,627,064)	1,699,744
Investment management expenses	10	(18,096)	(64,089)
Net returns on investments		(13,091,638)	1,635,685
Net (decrease)/increase in the Plan during the year		(15,780,388)	(1,455,803)
Net assets of the Plan at the beginning of the year		60,091,702	61,547,505
Net assets of the Plan at the end of the year		**44,311,314**	**60,091,702**

The notes on pages 15 to 21 form part of these accounts.

BOOTS SUPPLEMENTARY PENSION PLAN

STATEMENT OF NET ASSETS (AVAILABLE FOR BENEFITS)

AT 31 MARCH 2023

	Note	2023 £	2022 £
Investment Assets	8		
Pooled Investment Vehicles		4,433,013	59,887,609
Insurance Policy		39,900,000	-
Total Investments		44,333,013	59,887,609
Current Assets	11	198,973	402,277
Current Liabilities	12	(220,672)	(198,184)
Net assets of the Plan at the end of the year		**44,311,314**	**60,091,702**

The financial statements summarise the transactions and net assets of the Plan. They do not take account of liabilities to pay pensions and other benefits in the future. The actuarial position of the Plan, which does take account of such liabilities, is dealt with in the Report on Actuarial Liabilities on page 8, and these accounts should be read in conjunction therewith.

The notes on pages 15 to 21 form part of these accounts.

These financial statements were approved and authorised for issue by the Trustees on 14th December 2023

Signed on behalf of the Trustees:

Alan Baker, Director for The Law Debenture Pension Trust Corporation p.l.c

The Law Debenture Pension Trust Corporation PLC

BOOTS SUPPLEMENTARY PENSION PLAN

Notes (forming part of the financial statements)

FOR THE YEAR ENDED 31 MARCH 2023

1. Basis of preparation

The Financial Statements have been prepared in accordance with Financial Reporting Standard 102 – the Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council and with the guidance set out in the Statement of Recommended Practice (SORP) (revised 2018).

The financial statements are prepared on a going concern basis, which the Trustees believe to be appropriate as it believes that the Plan has adequate resources to meet obligations as they fall due for at least the next twelve months from the approval of these financial statements.

In reaching this conclusion, the Trustees considered the financial strength of the sponsoring employer, The Boots Company PLC. As per the last tri-ennial actuarial valuation as at 1 April 2021, the Plan was at a funding level of 112%. As there were sufficient assets to cover the Plan's liabilities at the valuation date, no recovery plan is required, and no employer’s contribution are required. There are no active members and hence, no employee contributions received. During the year and annuity was purchased from LGAS to cover the benefits of all members of the Plan.

The Employer operates in the Pharmaceutical and Retail sectors. The Trustees are continuing to monitor the likely financial and operational impact that the economic environment will have on the company.

On this basis, whilst the impact of the economic environment cannot be accurately predicted, the Trustees consider that the Plan will nevertheless continue to operate, and therefore believes that it remains appropriate to prepare the financial statements on a going concern basis.

2. Identification of the financial statements

The Plan is established as a trust under English law. The address for enquiries to the Plan is included in the Trustees’ Report.

3. Accounting policies

a) The financial statements have been prepared on an accrual’s basis.

b) All investment income has been accounted for on an accrued basis.

c) Pooled investment vehicles are valued at closing bid valuation as provided by the investment manager

d) Employer deficit contributions, if any, are at a fixed rate agreed between the Trustees and the Company based on the recommendations of the actuary.

e) Benefits are accounted for in the period in which they fall due for payment. Benefits taken are reported gross of any tax settled by the plan on behalf of the member. Individual transfers in or out are accounted for when paid or received which is normally when member liability is accepted/discharged.

f) Administrative expenses are accounted for on an accrual’s basis.

g) Annuity (insurance) policies are valued by the Scheme Actuary at the amount of the related obligation, determined on an estimate of the approximate position on a solvency basis using Aon's estimate of annuity pricing.

h) The Trustees make estimates and assumptions concerning the future. The accounting estimates will, by definition, seldom equal the related actual results. For the Plan, the Trustees believe the only estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are related to the valuation of the Plan’s investments and, in particular, those classified in Level 3 of the fair value hierarchy.

Notes (forming part of the financial statements) for the year ended 31 March 2023

4. Benefits paid or payable

	2023	2022
	£	£
Pensions to retired members and spouses/dependants	(2,355,953)	(2,377,921)
Lump sums on retirement	(60,869)	-
	(2,416,822)	(2,377,921)

5. Payments to and on account of leavers

	2023	2022
	£	£
Individual transfers out of the Plan	-	(595,634)

6. Administrative Expenses

Administrative expenses are met from the assets of the Plan. The Plan actuary has taken this into account when assessing the employer contribution required to be paid to the Plan. Levies are paid by the Plan and recovered from the Company.

	2023	2022
	£	£
Administration costs	(19,658)	(21,872)
Professional fees	(252,270)	(96,061)
	(271,928)	(117,933)

7. Investment Income

	2023	2022
	£	£
Interest on cash and deposits	1,101	30
Annuity income	1,552,421	-
	1,553,522	30

Annuity income relates to income received from LGAS to pay the pensioners secured under the buy in policy.

8. Investments

	Market Value at 31.03.22	Purchases	Sales	Change in Market Value	Market Value at 31.03.23
	£	£	£	£	£
Pooled Investment Vehicles	59,887,609	18,681,175	(68,174,554)	(5,961,217)	4,433,013
Insurance Policy	-	48,565,847	-	(8,665,847)	39,900,000
Total Investments	59,887,609	67,247,022	(68,174,554)	(14,627,064)	44,333,013

Investment Fair Value Hierarchy

The fair value of financial instruments has been determined using the following fair value hierarchy:

Level 1: the unadjusted quoted price in an active market for identical assets or liabilities which the entity can access at the measurement date;

Level 2: inputs other than quoted prices included within Level 1 which are observable (i.e developed using market data) for the asset or liability, either directly or indirectly;

Level 3: inputs which are unobservable (i.e for which the market data is unavailable) for the asset or liability.

Notes (forming part of the financial statements) for the year ended 31 March 2023

8. Investments (continued)

The Plan's investment assets and liabilities have been fair valued using the above hierarchy levels as follows:

	Level 1	Level 2	Level 3	Total
	£	£	£	£
At 31 March 2023				
Pooled investment vehicles	-	4,433,013	-	4,433,013
Insurance Policy	-	-	39,900,000	39,900,000
	-	4,433,013	39,900,000	44,333,013

	Level 1	Level 2	Level 3	Total
	£	£	£	£
At 31 March 2022				
Pooled investment vehicles	-	59,887,609	-	59,887,609
	-	59,887,609	-	59,887,609

A summary of pooled investment vehicles by type of arrangement is as follows:

	2023	2022
	£	£
Liquidity fund	2,905,715	537,409
Corporate bonds	1,527,298	28,469,123
Gilts	-	24,649,237
Leveraged Gilts	-	6,231,840
	4,433,013	59,887,609

The following investments represent over 5% of the Plan's net assets

	2023		2022	
	£	%	£	%
Sterling liquidity fund	2,905,715	6.6		
LGAS Annuity	39,900,000	90.0		
LGIM Active Corp Bond			26,774,449	44.7
LGIM FB - 2035 Index-Linked Gilt			3,635,217	6.0
LGIM MF - 2037 Index-Linked Gilt			8,937,037	14.9
LGIM WY - 2042 Index-Linked Gilt			4,772,943	7.9
LGIM RW 2047 Index linked Gilt			4,014,648	6.7
Leveraged ind lnk 2030			3,045,726	5.0

9. Investment risks (continued)

FRS 102 requires the disclosure of information in relation to certain investment risks. These risks are set out by FRS 102 as follows:

Credit risk: this is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Market risk: this comprises currency risk, interest rate risk and other price risk.

Currency risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.

Interest rate risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates

Other price risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

In particular, risks relating to the Annuity (Insurance) Policy have been identified as follows;

Credit risk

The Plan is also subject to credit risk in relation to the instruments it holds in the annuity policy.
The Plan holds an annuity policy with the insurer LGAS, which is intended to insure the Plan's liabilities. By purchasing an annuity policy, the Trustees have an agreement with LGAS that it will honour the benefit payments of Plan members as and when they fall due. Whilst this provides protection against interest rate, inflation and longevity risk, there is a small chance that the insurer may default.
If LGAS were unable to make the benefit payments (that they are obliged to make) then the responsibility for making those payments falls on the Trustees. However, insurers are required to meet stringent solvency requirements and compensation (up to a certain level) may be provided by the Financial Services Compensation Scheme should an insurer become insolvent.

Interest rate risk

The Plan is subject to interest rate risk in relation to the instruments it holds in the annuity policy. This risk is largely mitigated as LGAS has entered into an agreement to match the liabilities for the membership of the Plan. The value of the annuity policy is influenced by interest rates and will move in a similar direction and by a similar magnitude to the value of the Plan's liabilities due to changes in interest rates. If interest rates fall, the value of the annuity policy will rise to match the increase in actuarial liabilities arising from a fall in the discount rate. Similarly, if interest rates rise, the annuity policy will fall in value, as will the actuarial liabilities because of an increase in the discount rate.

Other price risk

The Plan is subject to inflation risk in relation to the instruments it holds in the annuity policy. This risk is largely mitigated as LGAS has entered into an agreement to match the liabilities for the membership of the Plan. The value of the annuity policy is influenced by inflation and will move in a similar direction and by a similar magnitude to the value of the Plan's liabilities due to changes in inflation expectations. If inflation rises, the value of the annuity policy will rise to match the increase in actuarial liabilities. Similarly, if inflation falls, the annuity policy will fall in value, as will the actuarial liabilities.

9. Investment risks (continued)

The Plan has exposure to these risks because of the investments it makes to implement its investment strategy described in the Trustees' Report. The Trustees manage investment risks, including credit risk and market risk, within agreed risk limits which are set taking into account the Plan's strategic investment objectives. These investment objectives and risk limits are implemented through the investment management agreement in place with the Plan's investment manager and monitored by the Trustees by regular reviews of the investment portfolios. Further information on the Trustees' approach to risk management and the Plan's exposures to credit and market risks are set out below.

(i) Credit risk

The Plan is subject to credit risk via pooled investment vehicles as the Plan invests in bonds.
Analysis of direct credit risk

31 March 2023

	Investment grade £	**Non-investment grade £**	**Unrated £**	**Total £**
Bond funds	-	-	4,433,013	4,433,013
	-	**-**	4,433,013	4,433,013

31 March 2022

	Investment grade £	**Non-investment grade £**	**Unrated £**	**Total £**
Bond funds	-	-	59,887,609	59,887,609
	-	**-**	59,887,609	59,887,609

Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled managers operate and diversification of investments amongst a number of pooled arrangements. Trustees carry out due diligence checks on the appointment of new pooled investment managers and on an ongoing basis monitor any changes to the regulatory and operating environment of the pooled manager. Indirect credit risk arises in relation to underlying investments held in the bond pooled investment vehicles.

(ii) Currency risk

The Plan is subject to currency risk (indirect) because some of the Plan's investments are held in overseas markets, via pooled investment vehicles. Overseas currency exposure is limited through a currency hedging policy within the pooled investment. In order to access greater investment opportunities, the Active Corporate Bond fund is permitted to allocate a maximum of 20% of the portfolio to EUR and USD credit, Legal & General aim to hedge all exposure back to sterling.

As at 31 March 2023 those exposures were 0% EUR and 0% USD.
As at 31 March 2022 those exposures were 4.7% EUR and 4.8% USD.

Notes (forming part of the financial statements) for the year ended 31 March 2023

9. Investment risks (continued)

(iii) Interest rate risk

The Plan is subject to interest rate risk (indirect) on the bond portfolio comprising bonds and liquidity fund held through pooled investment vehicles. At the year end the bond portfolio comprised:

	2023 £	2022 £
Indirect		
Pooled Investment Vehicles	4,433,013	59,887,609

(iv) Other price risk

Other price risk arises in relation to the Plan's pooled vehicles. At the year end, the Plan's exposure to investments subject to other price risk was:

	2023 £	2022 £
Indirect		
Pooled Investment Vehicles	4,433,013	59,887,609

10. Investment management expenses

	2023 £	2022 £
Administration, management and custody	(18,096)	(64,089)
	(18,096)	(64,089)

11. Current assets

	2023 £	2022 £
Cash at bank	198,973	402,277
	198,973	402,277

12. Current liabilities

	2023 £	2022 £
Amount due to the Company	(10,816)	(32,399)
Professional fees	(17,000)	(36,850)
Investment expenses	(942)	(14,646)
Amount due to the Boots Pension Scheme	(188,935)	(114,289)
Amount due to LGAS	(2,979)	-
	(220,672)	(198,184)

13. Employer related investments

There have been no employer related investments during the year.

14. Related party transactions

(a) Entities with control, joint control or significant influence over the entity
The Boots Company PLC
The Boots Pension Scheme
Boots Management Services Ltd

Boots Management Services Ltd provided administrative services and the recharge of these costs is dealt with in note 6. Amounts due to the Principal Employer, The Boots Company PLC at the year-end are dealt with in Note 12 which refers to £188,935 owed to Boots Pension Scheme in relation to pensioner payroll paid on behalf of the Plan (2022: £114,289).

(b) Key management personnel of the Plan
Of the 4 Trustees in office during the year, one was a pensioner member of the Plan. The husband of one of the Trustees is also a member of the Plan. No fees were paid to the Trustees.

Independent Auditor's Statement about Contributions, under Regulation 4 of The Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, to the Trustees of the Boots Supplementary Pension Plan

Statement about contributions payable under schedules of contributions
We have examined the summary of contributions payable to the Boots Supplementary Pension Plan on page 23 in respect of the plan year ended 31 March 2023.

In our opinion the contributions for the plan year ended 31 March 2023 as reported in the attached summary of contributions on page 23 and payable under the schedules of contributions have in all material respects been paid at least in accordance with the schedules of contributions certified by the actuary on 15 May 2020 and 18 January 2023.

Scope of work on statement about contributions
Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported on page 23 have in all material respects been paid at least in accordance with the schedules of contributions. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the plan and the timing of those payments under the schedules of contributions.

Respective responsibilities of trustees and auditor
As explained more fully on page 9 in the Statement of Trustees' Responsibilities, the plan's trustees are responsible for ensuring that there is prepared, maintained and from time to time revised a schedules of contributions showing the rates and due dates of certain contributions payable towards the plan by or on behalf of the employer and the active members of the plan. The trustees are also responsible for keeping records in respect of contributions received in respect of active members of the plan and for monitoring whether contributions are made to the plan by the employer in accordance with the schedules of contributions.

It is our responsibility to provide a statement about contributions paid under the schedules of contributions and to report our opinion to you.

Use of our statement
This statement is made solely to the plan's trustees as a body, in accordance with the Pensions Act 1995. Our audit work has been undertaken so that we might state to the plan's trustees those matters we are required to state to them in an auditor's statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the plan and the plan's trustees as a body, for our audit work, for this statement, or for the opinions we have formed.

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
103 Colmore Row
Birmingham
West Midlands
B3 3AG
Date 15th December 2023

Statement of Trustees' Responsibilities in respect of Contributions

The Plan's Trustees are responsible under pensions legislation for ensuring that there is prepared, maintained and from time to time revised a schedule of contributions showing the rates of contributions payable towards the Plan by or on behalf of the employer and the active members of the Plan and the dates on or before which such contributions are to be paid. The Plan's Trustees are also responsible for keeping records of contributions received and for procuring that contributions are made to the Plan in accordance with the schedule.

Trustees' Summary of Contributions payable under the Schedule in respect of the Plan year ended 31 March 2023

This Summary of Contributions has been prepared by, or on behalf of, and is the responsibility of the Trustees. It sets out the employer and member contributions payable to the Plan under the schedule of contributions certified by the actuary on 15 May 2020 and 18 January 2023 in respect of the Plan year ended 31 March 2023. The Plan auditor reports on contributions payable under the schedule in the Auditors' Statement about Contributions.

Contributions payable under the Schedule in respect of the Plan year	**£**
Employer deficit contributions:	-
Contributions payable under the Schedule	-
Contributions payable in addition to those under the Schedule (and reported on by the Plan Auditor)	-
Employer deficit contributions	-
Total contributions payable to the Plan as reported in the Financial Statements	-

Signed on behalf of the Trustees on 14th December 2023

Alan Baker, Director for The Law Debenture Pension Trust Corporation p.l.c

The Law Debenture Pension Trust Corporation PLC

Engagement Policy Implementation Statement ("EPIS")

Boots Supplementary Pension Plan (the "Plan")

Plan Year End – 31 March 2023

The purpose of the EPIS is for us, the Trustees of the Boots Supplementary Pension Plan, to explain what we have done during the year ending 31 March 2023 to achieve certain policies and objectives set out in the Statement of Investment Principles ("SIP"). It includes:

1. How our policies in the SIP about asset stewardship (including both voting and engagement activity) in relation to the Plan's investments have been followed during the year; and

2. How we have exercised our voting rights or how these rights have been exercised on our behalf, including the use of any proxy voting advisory services, and the 'most significant' votes cast over the reporting year.

Our conclusion

Based on the activity we have undertaken during the year, we believe that the policies set out in the SIP have been implemented effectively.

During the reporting period, in July 2022, the Plan purchased a Bulk Purchase Annuity Agreement (the "Annuity") with Legal & General Assurance Society ("LGAS"). The Annuity aims to wholly cover the benefits payable to all members of the Plan. In endeavouring to invest in the best financial interests of the beneficiaries and purchasing the Annuity, we recognise that we cannot, therefore, directly influence the ESG integration or stewardship policies and practices of LGAS. We believe that LGAS should use its influence and purchasing power where possible to ensure that ESG factors, including climate change, are appropriately considered by underlying investment managers and financial counterparties.

The Plan's remaining assets were invested in a Sterling Liquidity Fund ("SLF") and the 6A Corporate Bond All Stocks Index Fund managed by Legal & General Investment Management ("LGIM"). We note that LGIM was able to disclose evidence of or engagement activity, however there is room for improvement, and we will liaise with the manager to seek improvements for future reporting.

This EPIS does not disclose stewardship information on investments in cash, such as the SLF, due to the limited materiality of stewardship of this asset classes.

How voting and engagement policies have been followed

The Plan assets were transferred to LGAS, the Insurer, in July 2022 to purchase the Annuity. Post the Annuity purchase, the Plan had some residual assets which are currently being held in the SLF and 6A Corporate Bond All Stocks Index Fund managed by LGIM.

Prior to annuity purchase, the Plan's assets were invested in pooled funds, and so the responsibility for voting and engagement was delegated to the Plan's investment manager, LGIM. We reviewed the stewardship activity of the material investment manager carried out over the Plan year and in our view, LGIM was able to disclose adequate evidence of engagement activity.

Over the reporting year, we monitored the performance of the Plan's residual assets on a quarterly basis and received updates on important issues from our investment adviser, Aon Investments Limited ("Aon"). In particular, we received quarterly Environment Social Governance ("ESG") ratings from Aon for the funds the Plan is invested in where available. The ESG rating system is for buy-rated investment strategies and is designed to assess whether investment managers integrate Responsible Investment and more specifically ESG considerations into their investment decision making process. The ESG ratings are based on a variety of qualitative factors, starting with a proprietary due diligence questionnaire, which is completed by the investment manager. Aon's researchers also conduct a review of the manager's Responsible Investment related policies and procedures, including a review of their Responsible Investment policy (if they have one), active ownership, proxy voting and/or stewardship policies. After a thorough review of the available materials, data and policies, as well as conversation with the investment manager, the lead researcher will award an ESG rating, which is subject to peer review using an agreed reference framework. Ratings will be updated to reflect any changes in a fund's level of ESG integration or broader Responsible Investment developments.

What is stewardship?

Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

This includes prioritising which ESG issues to focus on, engaging with investees/issuers, and exercising voting rights.

Differing ownership structures means stewardship practices often differ between asset classes.

Source: UN PRI

The Plan's stewardship policy can be found in the SIP https://www.wba-boots-pensions.co.uk/boots-pension-scheme/login/

Our Engagement Action Plan

The responsibility for managing arrangements with underlying investment managers lies with LGAS. This responsibility may include ensuring that arrangements with appointed asset managers are aligned to achieving the long-term objectives of the Insurer; as well as having appropriate performance, costs (including turnover costs), and remuneration monitoring with respect to the appointed asset managers. In addition, we expect that the Insurer uses its influence and purchasing power (where possible) to ensure that Environmental Social, and Governance ("ESG") factors, including climate change, are appropriately considered by underlying investment managers and financial counterparties.

We have limited ability to incentivise LGAS to align its investment strategy and decisions with our policies in relation to stewardship, corporate governance, and responsible investment. However, given the nature of the buy-in policies, such as the Annuity purchased by the Plan, we believe that LGAS is appropriately incentivised to make decisions relating to the medium and long-term financial and non-financial factors which may influence performance.

In relation to our residual assets, at the time of writing, LGIM did not provide firm-level engagement information. We are liaising with LGIM to encourage improvements in reporting for future years.

Our manager's engagement activity

Engagement is when an investor communicates with current (or potential) investee companies (or issuers) to improve their ESG practices, sustainability outcomes or public disclosure. Good engagement identifies relevant ESG issues, sets objectives, tracks results, maps escalation strategies and incorporates findings into investment decision-making.

The table below shows some of the engagement activity carried out by the Plan's manager for the residual assets over the reporting period. The manager has provided information for the most recent calendar year available.

Funds	**Number of engagements**		**Themes engaged on at a fund-level**
	Fund specific	**Firm level**	
LGIM – AAA-AA-A Bonds - All Stocks Index	113	*Not provided*	Environment - Climate change Social - Human capital management (e.g., inclusion & diversity, employee terms, safety), Public Heath Governance - Board effectiveness - Diversity, Board effectiveness – Other, Remuneration Strategy, Financial and Reporting - Strategy/purpose

Source: Manager

Data limitations

At the time of writing, LGIM did provide fund-level engagement information but not in the industry standard engagement reporting template. Additionally, the manager did not provide any firm-level engagement information.

This report does not include commentary on the Plan's investment in cash (SLF) because of the limited materiality of stewardship associated with this asset class.