

## Summary financial statement

This summary financial statement is only a summary of information contained in the annual report and accounts and directors' report. It does not contain sufficient information to allow as full an understanding of the results and state of affairs of the company or group as is provided by the full annual report and accounts. The financial statements, directors' report and auditors' report (which is unqualified) are included in a separate document entitled 'Annual Report and Accounts for the year ended 31st March 2002', which is available to shareholders, free of charge, from the address shown in shareholder information on page 28.

### Statement of the independent auditors to the members of The Boots Company PLC

We have examined the summary financial statement set out on pages 23 to 27.

**Respective responsibilities of directors and auditors** The directors are responsible for preparing the annual review and summary financial statement in accordance with applicable United Kingdom law. Our responsibility is to report to you our opinion on the consistency of the summary financial statement within the annual review and summary financial statement with the full annual accounts and directors' report, and its compliance with the relevant requirements of Section 251 of the Companies Act 1985 and the regulations made thereunder. We also read the other information contained in the annual review and summary financial statement and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the summary financial statement.

**Basis of audit opinion** We conducted our work in accordance with Bulletin 1999/6 'The auditors' statement on the summary financial statement' issued by the Auditing Practices Board. Our report on the group's full annual accounts describes the basis of our audit opinion on those accounts.

**Opinion** In our opinion the summary financial statement on pages 23 to 27 is consistent with the full annual accounts and directors' report of The Boots Company PLC for the year ended 31st March 2002 and complies with the applicable requirements of Section 251 of the Companies Act 1985, and regulations made thereunder.

#### KPMG Audit Plc

Chartered Accountants  
Registered Auditor  
Birmingham  
29th May 2002

### Summary directors' report

The directors of The Boots Company PLC present their summary financial statement to shareholders for the year ended 31st March 2002. It is a summary of the information contained in the Report and Accounts.

**Principal activities** The group's principal activities during the year were:

- retailing of chemists' merchandise and autoparts.
- the provision of opticians' and other healthcare services.
- the development, manufacture and marketing of healthcare and consumer products.
- property investment, development and management.

**Business review and future developments** A review of group activities during the year, research and development, and likely future developments are dealt with in the chairman's statement, chief executive's review and review of operations on pages 1 to 15.

**Appropriations** The directors recommend the payment of a final dividend of 19.3p per share which, if approved by shareholders, will be paid on 16th August 2002 to shareholders registered on 14th June 2002. When added to the interim dividend of 8.1p paid on 1st February 2002, this makes a total dividend payment for the year of 27.4p per share (2001 26.3p per share). Payment of these dividends requires £240.6m (2001 £231.6m), leaving a profit of £163.7m (2001 £91.0m, restated due to FRS19) retained in the business.

**Directors** Details of directors in office are shown on pages 20 and 21. Mr J J H Watson was a director until his retirement from the board on 31st July 2001. Mr B Clare, Sir Nigel Rudd and Mr S G Russell retire by rotation at the annual general meeting in accordance with Article 87 and offer themselves for reappointment. Mr P Bateman, Mr J Bennink and Mr H Dodd who were appointed as directors on 1st April 2002, 10th September 2001 and 1st April 2002 respectively, retire at the annual general meeting in accordance with Article 86 and offer themselves for reappointment. Mr D A R Thompson is retiring as a director of the company later this year.

**Corporate governance** Requirements of corporate governance are set out by the Financial Services Authority (FSA) Listing Rules together with the related Principles of Good Governance and Code of Best Practice (the 'Combined Code'), now adopted by the FSA.

Directors are assisted in complying with the internal control requirements of the Combined Code by the Institute of Chartered Accountants in England and Wales' publication 'Internal Control: Guidance for Directors on the Combined Code' (the 'Turnbull guidance').

The board has reviewed the group's corporate governance policies and practice and has determined that the company complied with the provisions of the Combined Code throughout the period with one exception. At the start of the period Mr S G Russell had a service contract with a rolling two year notice period. He has since agreed without payment of compensation to reduce that notice period to a rolling one year and accordingly the company now complies fully with the Code.