

Another day; another tax abuse story. This time it's Bo...

Published: January 13, 2026, 1:20 am

As the [Guardian, and many papers, report this morning](#):

Alliance Boots, which became Britain's biggest private equity buyout in 2007, could have received UK tax bills of more than £1.1bn over the last six years, had colossal interest payments on the group's billions of pounds of borrowings not depressed the chemist and retail group's UK profits, according to tax campaigners.

A report, commissioned by Unite, War on Want and US union group Change to Win, found that Alliance Boots generated UK taxable profits, before interest costs, of £4.5bn between 2008 and 2013. But it also incurred financing costs of £4.2bn over the same period, reducing its UK taxable profits to just £313m.

Now in a sense this story is not new: Boots has been the focus of previous UK Uncut action and I think I discussed it once on Radio 4 or maybe elsewhere. But the story is significant for three reasons.

The first is the scale of the loss.

The second is the fact it is continuing and there is no sign of change.

The third is that this brings Unite into tax campaigning in a bigger way - which is good news.

So I should declare an interest: I am a member of Unite and advise it on tax related issues but although I was asked to help with this story did not have time to do so.

But [I do think the Unite press release is well worth sharing](#):

Taxpayer-funded firm's gain worth 78,000 nurses, two years' prescription charges or 5.2 million ambulance calls

Shoppers at Britain's largest high street chemists Boots are today warned that its parent company has avoided at least £1.12 billion tax since going private six years ago, enough to pay for two years' prescription charges in England, the starting wages of

78,000 nurses or 5.2 million ambulance calls.

This revelation appears in a new report, which unveils for the first time the full extent of tax avoidance by the multinational pharmacy-led health and beauty group Alliance Boots.

It will be launched this afternoon by Britain's biggest union, Unite, the UK anti-poverty charity War on Want, and the Change to Win federation of US trade unions, with a call on Alliance Boots to disclose its tax returns and shed light on its web of debt strategies.

The three organisations are calling for action from the UK government to modernise the outdated tax system, which allows companies to manipulate their profits to avoid taxes, and to make transparent significant public contracts through which major corporations profit from the public purse. They call for:

- *Alliance Boots to disclose key tax and financial information;*
 - *An investigation into Alliance Boots' tax practices;*
 - *Modernisation of taxation of private equity-backed businesses;*
 - *Reform of taxation in British Overseas Territories, and*
- Transparency and accountability for public contracts undertaken by private companies.*

Alliance Boots draws an estimated 40 per cent of its UK revenues — £4 billion — from prescriptions and related services, mainly paid for by the UK's taxpayer-funded National Health Service.

The company is seeking to expand into medical services traditionally supplied in hospitals, family doctors' practices and community health clinics, largely paid for by public funds.

According to the report, the company went into massive debt to fund its 2007 buyout and is likely to have apportioned this liability to reduce its corporation tax by about 95 per cent over six years.

The transaction was led by US private equity firm Kohlberg Kravis Roberts & Co. L.P. and the company's billionaire executive chairman Stefano Pessina, who lives in tax-free Monaco.

Several Pessina and KKR-related entities with stakes in Alliance Boots operate in other tax havens, such as Luxembourg and the Cayman Islands.

In 2008, Alliance Boots relocated to the low-tax canton of Zug, Switzerland, even though the company generates no revenue there. The holding company that owns Alliance Boots is located in Gibraltar.

Now the firm's private equity backers are selling Alliance Boots to US pharmacy chain Walgreens, standing to make over 200 per cent profit on their investment.

Jim Sheridan MP will host a lunchtime event in parliament to launch the report, with

spokespeople from the report's co-authoring organisations.

Statements from Sponsoring Organisations:

Len McCluskey, general secretary of Unite, which has long campaigned to protect NHS services, said: "The revelation that yet another high street name is fleecing Britain, taking work from our NHS while avoiding their tax responsibilities, will leave taxpayers furious. Boots has deliberately woven a web to support its tax avoidance habit, the scale of which is so big it could have paid for two years' worth of prescription charges for everyone in England.

"Tax avoidance is now part of the DNA of a corporate British culture that is rotten to the core. While this government pursues the needy with a single-minded cruelty, George Osborne does little to stop corporate Britain from stripping earnings in the UK and sending profits to tax havens.

"Boots has abused the trust of the British public and must immediately come clean on its tax affairs, and act more responsibly towards this country.

"And if it will not, the government must make it, by closing the tax avoidance loopholes and not granting public service contracts to companies that avoid their tax liabilities. These practices must not be rewarded through the public purse."

John Hilary, executive director at the anti-poverty charity War on Want, said: "It is utter hypocrisy that Boots relies mainly on the NHS for 40 per cent of its UK revenues, while at the same avoiding its own tax responsibilities.

"This is just the latest in a string of scandals that make a mockery of the government's supposed crackdown on tax dodgers, which instead delivers rhetoric on tackling tax avoidance, including Britain's overseas territories, but which amounts to nothing.

"Ministers have allowed corporations such as Boots and its private equity owners to abuse the UK's tax system. It is time for proper rules to make companies like Boots pay their fair share."

Nell Geiser, associate director of retail initiatives at Change to Win, called for action to eliminate the ways in which companies can avoid tax:

"After avoiding hundreds of millions in UK tax through massive borrowing, Alliance Boots' private owners are selling out and stand to profit handsomely. Corporate tax avoidance is not going away unless we shine a light on it and unless policy makers act decisively. This is an international issue but our report gives the UK government every reason to act more forcefully to limit abuses by private equity backed firms like Alliance Boots."