

BUPA INVESTMENTS LIMITED

(Registered No. 902253)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2007

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BUPA INVESTMENTS LIMITED

REPORT OF THE DIRECTORS for the year ended 31 December 2007

The directors present their annual report and the audited financial statements for the year ended 31 December 2007

1. Business review

The principal activities for the company for the year was that of a holding and intercompany funding company. The results for the company show a loss before taxation of £27.6m (2006 profit £42.8m) and turnover of £134.7m (2006 £180.0m). The company has net assets of £381.4m (2006 £403.7m).

The company received dividends from Group holdings of £9.1m (2006 £47.5m). The main driver behind the variance in turnover of £45.3m relates to the decrease in dividends received of £38.4m with the remaining variance relating to a decrease in intercompany interest receivable due to LIBOR rates being higher in the marketplace in 2006.

Expenses payable on external bank loans increased from £0.7m to £2.6m in 2007 as a result of additional external loans, in various currencies, being taken out during the year. Intercompany interest payable decreased by £3.7m in the year in line with LIBOR. The company made a gain on foreign exchange of £13.7m (2006 loss of £2.0m).

The external commercial environment is expected to remain competitive in 2008. The company's management and its strategy are subject to a number of uncertainties and risks. These risks and uncertainties include interest rate and/or foreign exchange rate fluctuations driven by the external investment market and the uncertainty of timing of cash generation within the other Group companies. The management believes that these risks and uncertainties are managed effectively where possible and are reviewed on a regular basis in line with Group policies.

Details of BUPA Group's business risks and risk management process are set out in the parent company's annual report.

2. Conversion to IFRS

The ultimate parent undertaking has prepared Group accounts in accordance with International Financial Reporting Standards (IFRS). The company is not required to report under IFRS and therefore these accounts are prepared in accordance with applicable UK accounting standards.

3. Dividends

No dividends were paid during the year (2006 £nil).

4. The Companies (Audit, Investigations and Community Enterprise) Act 2004

As at the date of this report, indemnities are in force under which the company has agreed to indemnify the directors, to the extent permitted by law and the company's articles of association, in respect of all losses arising out of, or in connection with, the execution of their powers, duties and responsibilities, as directors of the company or any of its subsidiaries.

BUPA INVESTMENTS LIMITED

REPORT OF THE DIRECTORS
for the year ended 31 December 2007

5. Directors

The names of persons who were directors at any time during the year are as follows:

N T Beazley
J P Davies
B D J Kent (resigned 1/11/2007)
R King (resigned 15/05/2008)
M R Hampton
F D Gregory (appointed 1/11/2007)
I J Goodacre (appointed 2/01/2008)
T D Singer (appointed 15/05/08)

6. Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

7. Auditors

Pursuant to a shareholder's resolution, the company is not obliged to reappoint its auditors annually and KPMG Audit Plc will therefore continue in office

Registered Office

BUPA House
15-19 Bloomsbury Way
London
WC1A 2BA

22 May 2008

By Order of the Board



For and on behalf of
BUPA Secretaries Ltd
Secretary

BUPA INVESTMENTS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period

In preparing those financial statements, the directors are required to

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

BUPA INVESTMENTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUPA INVESTMENTS LIMITED

We have audited the financial statements of BUPA Investments Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Movement in Shareholders' Funds, Statement of Total Recognised Gains and Losses and the related notes

These financial statements have been prepared under the accounting policies set out therein

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

BUPA INVESTMENTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUPA INVESTMENTS LIMITED - continued

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at the 31 December 2007 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
22 May 2008

8 Salisbury Square
London EC4Y 8BB

BUPA INVESTMENTS LIMITED**PROFIT AND LOSS ACCOUNT**
for the year ended 31 December 2007

	<i>Note</i>	2007 £	2006 £
Income from investment activities	4	134,694,529	180,021,790
Interest payable and similar charges	6	(160,419,703)	(164,338,655)
Operating expenses		(1,902,831)	(341,368)
Operating (loss)/profit		(27,628,005)	15,341,767
Gain on disposal of shares in Group undertakings	7	1,699	27,457,064
(Loss)/profit on ordinary activities before taxation		(27,626,306)	42,798,831
Tax on (loss)/profit on ordinary activities	8	5,332,901	(21,314,380)
(Loss)/profit on ordinary activities after taxation		<u>(22,293,405)</u>	<u>21,484,451</u>

The operating (loss)/profit is all derived from continuing operations

There were no material differences between reported profit and losses and historical profit and losses on ordinary activities before and after taxation

The accounting policies and notes on pages 10 to 20 form part of these financial statements

BUPA INVESTMENTS LIMITED

BALANCE SHEET

as at 31 December 2007

	Note	2007 £	2006 £
Fixed assets			
Tangible assets	9	1,519,875	1,638,360
Investments	10	<u>3,094,917,010</u>	<u>3,490,317,485</u>
		3,096,436,885	3,491,955,845
Current assets			
Debtors amounts falling due within one year	11	754,508,002	1,099,554,826
Cash at bank and in hand		<u>8,435,845</u>	<u>29,603,237</u>
		762,943,847	1,129,158,063
Creditors amounts falling due within one year	12	<u>(1,082,019,868)</u>	<u>(659,781,318)</u>
Net current (liabilities)/assets		<u>(319,076,021)</u>	<u>469,376,745</u>
Total assets less current liabilities		2,777,360,864	3,961,332,590
Creditors amounts falling due after more than one year	12	(2,395,488,812)	(3,557,126,710)
Provisions for liabilities and charges	13	(494,822)	(535,245)
Net assets		<u><u>381,377,230</u></u>	<u><u>403,670,635</u></u>
Capital and reserves			
Called up share capital	14	50,000	50,000
Property revaluation	15	172,297	172,297
Profit and loss account	15	<u>381,154,933</u>	<u>403,448,338</u>
Equity shareholders' funds		<u><u>381,377,230</u></u>	<u><u>403,670,635</u></u>

These financial statements were approved by the Board of Directors on 22 May 2008 and were signed on its behalf by



F D Gregory
Director

The accounting policies and notes on pages 10 to 20 form part of these financial statements

BUPA INVESTMENTS LIMITED**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 December 2007**

	2007 £	2006 £
(Loss)/profit on ordinary activities after taxation	(22,293,405)	21,484,451
Unrealised deficit on revaluation of properties	-	(8,727)
Total recognised gains and losses relating to the financial year	<u>(22,293,405)</u>	<u>21,475,724</u>

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
for the year ended 31 December 2007**

	2007 £	2006 £
(Loss)/profit on ordinary activities after taxation	(22,293,405)	21,484,451
Other recognised losses relating to the year	<u>-</u>	<u>(8,727)</u>
Net (reduction)/addition to shareholders' funds	(22,293,405)	21,475,724
Opening shareholders' funds	403,670,635	382,194,911
Closing shareholders' funds	<u>381,377,230</u>	<u>403,670,635</u>

The accounting policies and notes on pages 10 to 20 form part of these financial statements

BUPA INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2007

1. STATEMENT OF ACCOUNTING POLICIES

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

(a) Basis of preparation

The financial statements have been prepared in accordance with applicable UK accounting standards and under historical cost accounting rules modified to include the revaluation of properties and on a going concern basis

BUPA Investments Limited is exempt from the requirement to produce consolidated accounts as it is a subsidiary undertaking of The British United Provident Association Limited which has produced consolidated accounts and which is itself incorporated in Great Britain, a member of the European Union. These financial statements present information about the Company as an individual undertaking and not about its group.

(b) Related party transactions

As the company is a wholly owned subsidiary undertaking of The British United Provident Association Limited (BUPA Limited), a company registered in England and Wales, which publishes consolidated accounts, the Company has pursuant to paragraph 17 of Financial Reporting Standard No 8 - Related Party Disclosures (FRS 8) not included details of transactions with other BUPA group companies which are subsidiary undertakings of the BUPA Group. There are no other related party transactions.

(c) Cash flow statement

Under Financial Reporting Standard No 1 - Cash flow statements (revised 1996) (FRS 1) the Company is exempt from the requirement to prepare a cash flow statement, on the grounds that it is a wholly owned subsidiary undertaking of The British United Provident Association Limited, a Company that prepares a consolidated cash flow statement for the BUPA Group.

(d) Investments

Investments in subsidiary undertakings are carried at cost less provisions for diminution in value. Dividends on equity investments are accounted for on a receivable basis, other investment income is accounted for on an accrual basis.

Short term deposits and listed investment are included at cost.

(e) Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

BUPA INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2007 - continued

1. STATEMENT OF ACCOUNTING POLICIES - continued

(f) Fixed assets and depreciation

Long leasehold land and buildings, which are all occupied by the group for its own use, are stated at current value. Interim valuations of property are made at least every three years. Full valuations are completed at least every five years. Depreciation is provided to write-off the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Leasehold land and buildings	- term of the lease less one year
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Unrealised gains/losses on revaluation are taken to revaluation reserves in accordance with FRS 15.

(g) Taxation including deferred taxation

The charge for taxation is based on the result for the year and takes into account deferred tax.

Deferred tax is provided in full on all timing differences that have originated, but not reversed, at the balance sheet date which result in an obligation to pay more, or a right to pay less or to receive more, tax with the following exceptions:

- (i) Provision is made for tax on gains arising from the revaluation of property to its market value, the fair value adjustment of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned and without it being possible to claim rollover relief. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.
- (ii) Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable.
- (iii) Deferred tax assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on current tax rates and laws.

Trading losses surrendered to other group subsidiary undertakings are made on a full payment basis.

BUPA INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2007 - continued

1. STATEMENT OF ACCOUNTING POLICIES - continued

(j) Dividends on shares presented within shareholders' funds

Dividends upaid at the balance sheet date are only recognised as a liability to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

2. IMMEDIATE AND ULTIMATE PARENT UNDERTAKINGS

The immediate parent undertaking of BUPA Investments Limited is BUPA Finance PLC, a company registered in England and Wales.

The ultimate parent undertaking of BUPA Investments Limited is The British United Provident Association Limited (BUPA), a company registered in England and Wales. Both BUPA Finance PLC and BUPA prepare consolidated group accounts which include BUPA Investments Limited. Copies of the accounts of both can be obtained from The Registrar of Companies, Cardiff, CF14 3UZ.

BUPA INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007 - continued

3. STAFF COSTS AND DIRECTORS' REMUNERATION

(a) Employees

The company had no employees during the year (2006 nil) and consequently incurred no staff costs

(b) Directors' remuneration

No remuneration was paid to any of the directors for the year (2006 £nil)

4. INCOME FROM INVESTMENT ACTIVITIES

	2007	2006
	£	£
Income from shares in Group undertakings	9,063,063	47,501,521
Interest receivable	1,578,915	563,419
Interest receivable from Group undertakings	108,490,367	129,726,781
Management charges	1,849,432	2,230,069
Foreign exchange gain	13,703,228	-
Other income	9,524	-
	<u>134,694,529</u>	<u>180,021,790</u>

On 14th March 2007, the company's subsidiary, BUPA Guernsey No 1 Limited, a company incorporated in Gibraltar, declared and paid a dividend in the amount of £1,670,000. A warrant payment of £1,586,500 to BUPA Guernsey LLP was subsequently paid out of this amount. The net amount has been treated as income in the profit and loss account.

5. AUDITORS' REMUNERATION

	2007	2006
	£	£
Fees for the audit of the company	<u>33,851</u>	<u>31,220</u>

Fees for the audit of the company represent the amount receivable by the company's auditors. The amount may not be borne by the company.

Fees paid to the company's auditors, KPMG Audit Plc, and its associates for services other than the statutory audit of the company are not disclosed in these accounts since the consolidated accounts of BUPA, the ultimate parent undertaking, are required to disclose non-audit fees on a consolidated basis.

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2007	2006
	£	£
Bank loans and overdrafts	2,565,078	702,937
Foreign exchange loss	-	2,054,307
Interest payable to Group undertakings	157,854,625	161,581,411
	<u>160,419,703</u>	<u>164,338,655</u>

BUPA INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007 - continued

7. GAIN ON DISPOSAL OF SHARES IN GROUP UNDERTAKINGS

	2007	2006
	£	£
Proceeds (net of sale expenses) less cost	1,699	27,457,064

The gain arising on the disposal of shares has had no effect on the tax charge for the year

8 TAX ON PROFIT ON ORDINARY ACTIVITIES

(i) Analysis of tax charge in the year

	2007	2006
	£	£
Current tax		
UK corporation tax on profits of the year	(5,584,825)	9,511,745
Adjustments in respect of prior periods	(239,349)	7,389,567
	(5,824,174)	16,901,312
Double taxation relief	-	(1,227,365)
	(5,824,174)	15,673,947
Foreign tax on income for the year	531,696	5,919,613
Total current tax	(5,292,478)	21,593,560
Deferred tax		
Origination and reversal of timing differences	(4,740)	(344,992)
Change in Tax Rates	(35,683)	-
Adjustments in respect of prior periods	-	65,812
Tax on profit on ordinary activities	(5,332,901)	21,314,380

(ii) Factors affecting the tax charge

The tax assessed for the year is lower (2006 higher) than the standard rate of corporation tax in the UK of 30% (2006 30%)

The differences are explained below

	2007	2006
	£	£
(Loss)/profit on ordinary activities before tax	(27,626,306)	42,798,831
Tax (credit)/charge on (loss)/profit on ordinary activities at 30%	(8,287,891)	12,839,649
Effects of		
Non taxable income	(6,132,630)	(10,412,342)
Expenses not deductible for tax purposes	1,278,729	1,359,882
Transfer pricing adjustment	7,711,397	5,643,666
Accelerated capital allowance	(18,004)	-
Difference in tax rates on overseas income	-	(495,426)
Deferred tax on short term and other timing differences	23,083	(136,459)
Depreciation in excess of capital allowances claimed	-	5,023
Higher tax rates on overseas earnings	372,187	5,400,000
Adjustments to tax charge in respect of prior periods	(239,349)	7,389,567
Total current tax charge for year	(5,292,477)	21,593,560

BUPA INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007 - continued

8 TAX ON PROFIT ON ORDINARY ACTIVITIES - CONTINUED

(iii) Factors that may affect future tax changes

As at 31 December 2007, the company had tax losses to carry forward of £nil (2006 £0.5m) against which no deferred tax assets has been recognised. A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

9. TANGIBLE FIXED ASSETS

		Leasehold Properties £
Cost or valuation		
At the beginning and end of the year		3,432,240
At the end of the year		3,432,240
Depreciation		
At the beginning of the year		1,793,880
Charge for the year		118,485
Revaluation		-
At the end of the year		1,912,365
Net Book Value		
At 31 December 2007		1,519,875
At 31 December 2006		1,638,360
Depreciable amount at 31 December 2007		2,880,980
Depreciable amount at 31 December 2006		2,880,980
	2007	2006
	£	£
The net book value of land and buildings comprises		
Long leasehold	850,000	850,000
Short leasehold	669,875	788,360
	1,519,875	1,638,360
	2007	2006
	£	£
Revaluation		
At 31 December - open market sale	850,000	850,000
Historic cost of revalued assets	130,000	130,000
Addition to revalue assets	627,575	627,575
Aggregate depreciation based on historic cost	(65,620)	(64,535)
Historic cost of net book value	691,955	693,040

Two long leasehold properties were valued at 31 December 2006 by Knight Frank, Chartered Surveyors, as external valuers on the basis of open market sale. The valuations were carried out in accordance with the Appraisals and Valuation Standards issued by the Royal Institution of Chartered Surveyors. The directors consider it appropriate to carry the properties at the same valuation as at 31 December 2007.

BUPA INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007 - continued

10. INVESTMENTS

	1 January 2007	Additions	Disposals	31 December 2007
	£	£	£	£
Listed investments	13,018	-	-	13,018
Short term deposits	13,635,729	1,297,985,392	(1,311,494,816)	126,305
Group undertakings				
Shares	1,674,236,404	40,151,224	(13,924,806)	1,700,462,822
Loans	1,898,233,334	1,176,940,847	(1,585,058,415)	1,490,115,765
	3,586,118,485	2,515,077,464	(2,910,478,037)	3,190,717,910
Provision for diminution in value	(95,801,000)	-	100	(95,800,900)
	3,490,317,485	2,515,077,464	(2,910,477,937)	3,094,917,010

a) Listed Investments

All listed Investments are dealt on recognised stock exchanges and are summarised as follows

	2007	2006
	£	£
Equities UK - Listed on the London Stock Exchange	13,018	13,018
	13,018	13,018

The cost of listed investments at 31 December 2007 amounted to £13,018 (2006 £13,018)

b) Group Companies - Shares

During the year the company increased its investments in BUPA Treasury Limited and in BUPA Europe Limited. The company also become the general partner in an Australian Limited Liability Partnership, BUPA Holdings Limited partnership. The company disposed of its investment in Dolphyn Court Properties Limited to fellow Group undertakings.

	2007	2006
	£	£
At the beginning of the year	1,674,236,404	1,649,957,829
Additions	40,151,224	35,630,000
Disposals	(13,924,806)	(11,351,425)
	1,700,462,822	1,674,236,404
Provision for diminution in value	(93,600,157)	(99,191,678)
Utilisation of provision for diminution in value	100	5,591,521
At the end of the year	1,606,862,765	1,580,636,247

The principal subsidiary undertakings of the company are listed below and unless otherwise stated, are registered in England and Wales and are wholly owned unless otherwise stated. All holdings consist of ordinary equity shares, unless otherwise stated.

BUPA INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007 - continued

10. INVESTMENTS - continued

b) Group Companies - Shares - continued INTERNATIONAL

BUPA International Limited (incorporated in Hong Kong)
BUPA (Asia) Limited (30%) (incorporated in Hong Kong)

INSURANCE

Actagent Limited
BM Leasing (1992) Limited
BM Leasing (1994) Limited
BUPA Health Assurance Limited
BUPA Services Limited
BUPA Travel Services Limited
BUPA Wellbeing Limited
Datahealth Limited (Dissolved 23/01/07)

GROUP

BUPA Trustees Limited
BUPA Secretaries Limited
Idealoutcome Limited
BUPA Europe Limited
BUPA Dunedin Hospital Limited
BUPA Financial Investments Limited (0.025%)
BUPA Gatwick Park Properties Limited
BUPA Holdings (Jersey) Limited (ordinary shares and preference shares)
BUPA IT Services Limited
BUPA Leasing (Dublin) Limited
BUPA Media Purchasing Limited (incorporated in Guernsey - 99.999%)
BUPA Treasury Limited
BUPA Worldwide Media Services Limited (99.99%)
BMSL Limited (99%)
BUPA Properties (1995) Limited
BUPA Limited
BUPA Roding Hospital Limited
Click Locum Limited (name changed to BUPA Shop Limited with effect from 06/02/07)
Essex Street Investments Limited
General Leasing Limited
Outcome Technologies Limited
BUPA Finance No 1 Limited
BUPA Finance (Jersey) Limited (preference shares)
K B Jackson & Son (Developments) Limited
BUPA Malta Investments No 1 Limited
BUPA Malta Investments No 2 Limited
BUPA Guernsey No 1 Limited (incorporated in Guernsey)(Class A Shares)
BUPA Childcare Provision Limited
BUPA Construction Services Limited (99.999%)
BUPA Developments Limited
BUPA Hospital Edinburgh Limited
BUPA Hospital Properties Limited
Partnership in Health Limited (Dissolved 06/02/07)
Cardiff Medical Services Limited

BUPA INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007 - continued

10. INVESTMENTS - continued

b) Group Companies - Shares - continued

CARE SERVICES

Country House Nursing Homes Limited (99.99%)

BHS Leasing (1993) Limited

BUPA Operational Services Limited

Care Homes Purchasing Limited

c) Group Companies: Loans

	2007 £	2006 £
Loans to Group companies	1,490,115,765	1,655,822,919
Provision for doubtful debt	(2,200,843)	(2,200,843)
Carrying value at 31 December	<u>1,487,914,922</u>	<u>1,653,622,076</u>

11 DEBTORS

	2007 £	2006 £
Amounts falling due within one year:		
Prepayments and accrued income	-	194,537
Amounts owed by group undertakings	742,494,329	1,095,325,447
Other debtors	11,923,951	4,034,842
Taxation and social security	89,722	-
	<u>754,508,002</u>	<u>1,099,554,826</u>

12 CREDITORS

	2007 £	2006 £
Amounts falling due within one year:		
Bank loans and overdrafts	-	6,632,675
Amounts owed to group undertakings	1,051,816,770	625,203,016
Other creditors	3,061,895	11,214,072
Taxation and social security	27,141,203	16,731,555
	<u>1,082,019,868</u>	<u>659,781,318</u>

Amounts falling due after more than one year:

Accruals and deferred income	4,770,830	4,990,202
Amounts owed to group undertakings	<u>2,390,717,982</u>	<u>3,552,136,508</u>
	<u>2,395,488,812</u>	<u>3,557,126,710</u>

The bank loans and overdrafts are repayable as follows

	2007 £	2006 £
Less than 1 year	-	6,632,675

BUPA INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007 - continued

13. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation	2007 £	2006 £
At beginning of year	(535,245)	(814,425)
Provided in year	4,740	279,180
Released in year	35,683	-
At end of year	<u>(494,822)</u>	<u>(535,245)</u>

Deferred taxation

Deferred tax assets and liabilities are analysed as follows

	Provided 2007 £	Provided 2006 £
Accelerated capital allowances	180,966	198,970
Other timing differences	313,856	336,275
	<u>494,822</u>	<u>535,245</u>

The movement for the year in the net deferred tax assets and liabilities is as follows

	2007 £	2006 £
At the beginning of the year	535,245	814,425
Deferred tax charge for the year	(40,423)	(279,180)
At the end of the year	<u>494,822</u>	<u>535,245</u>

14. SHARE CAPITAL

	2007 £	2006 £
Authorised, allotted, called-up and fully paid 50,000 ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

15. RESERVES

	Property Revaluation £	Profit and loss account £	Total £
At the beginning of the year	172,297	403,448,338	403,620,635
Profit for the financial year	-	(22,293,405)	(22,293,405)
At the end of the year	<u>172,297</u>	<u>381,154,933</u>	<u>381,327,230</u>

BUPA INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007 - continued

16 CONTINGENT LIABILITIES

The company has given a guarantee and other undertakings, as part of the Group banking arrangements, in respect of the overdraft of certain other Group undertakings

Under a group registration the company is jointly and severally liable for value added tax due by certain other Group companies

The company has also undertaken to support Group undertakings with net liabilities

The company had the following interest rate swaps at 31 December 2007

	Maturity date	Notional value	Fair value 2007
		£	£
Interest rate swap	15 September 2020	50,000,000	929,812
Interest rate swap	15 September 2020	200,000,000	3,753,892