

**BM LEASING (1992) LIMITED**

**(Registered No. 1130440)**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2007**

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## **BM LEASING (1992) LIMITED**

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# **BM LEASING (1992) 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 Principal activity**

The principal activity of BM Leasing (1992) Limited (the 'company') was the leasing of equipment. The company ceased trading on 31 December 2006.

### **2. Review of the business**

An enhanced business review is not needed as the company meets the exemption requirements of small companies.

### **3 Results and dividends**

The loss for the year, after taxation, amounted to £3,538,185 (2006 - loss of £4,978,578).

No dividend is proposed for 2007 (2006 - fnil).

### **4. 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.

### **5. Conversion to International Financial Reporting Standards**

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.

### **6. Directors**

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

M I Dugdale

J P Davies

R King

N T Beazley

B D J Kent

F D Gregory

Resigned 01/11/2007

Appointed 01/11/2007

### **7 Disclosure of Information to Auditors**

The directors who held office at the date 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.

### **8. Auditor**

Pursuant to a shareholders' 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

By Order of the Board



20 March 2008

For and on behalf of BUPA Secretaries Limited  
Secretary

## **BM LEASING (1992) 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 they 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 these 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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

## **BM LEASING (1992) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BM LEASING (1992) LIMITED**

We have audited the financial statements of BM Leasing (1992) Limited for the year ended 31st December 2007 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Movement in Equity Shareholders' Funds 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 2.

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 if, in our opinion, the information given in the Directors' Report is not 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.

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 31 December 2007 and of its loss for the year then ended, and
- 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 financial statements.



**KPMG Audit Plc**  
Chartered Accountants  
Registered Auditor  
20 March 2008

8 Salisbury Square  
London EC4Y 8BB

**BM LEASING (1992) LIMITED****PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2007**

	Note	2007 £	2006 £
<b>Turnover</b>	1	-	1,728,580
Operating expenses		-	(319,376)
<b>Operating profit</b>		-	1,409,204
Exceptional item	4	-	(4,702,895)
Interest receivable	5	4,821,454	49,181
Interest payable and similar charges	6	(9,876,004)	(3,612,071)
<b>Loss on ordinary activities before taxation</b>	7	(5,054,550)	(6,856,581)
Tax on loss on ordinary activities	9	1,516,365	1,878,003
<b>Retained loss for the year</b>	15	(3,538,185)	(4,978,578)

The operating loss for 2007 is all derived from discontinued operations

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

There are no recognised gains or losses other than the loss for the financial year of £3,538,185 (2006 loss of £4,978,578)

The accounting policies and notes on pages 7 to 12 form part of these financial statements

**BM LEASING (1992) LIMITED**

**RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

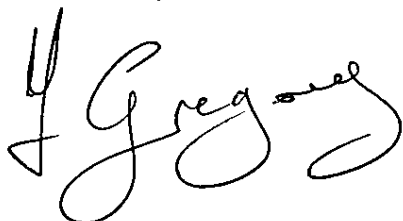
	2007 £	2006 £
Loss for the financial year	(3,538,185)	(4,978,578)
Net reduction to equity shareholders' funds	<u>(3,538,185)</u>	<u>(4,978,578)</u>
Opening equity shareholders' funds	(914,534)	4,064,044
Closing equity shareholders' funds	<u>(4,452,719)</u>	<u>(914,534)</u>

The accounting policies and notes on pages 7 to 12 form part of these financial statements

**BM LEASING (1992) LIMITED****BALANCE SHEET  
AS AT 31 DECEMBER 2007**

	Note	2007 £	2006 £
<b>Fixed assets</b>			
Tangible assets	10	-	-
<b>Current assets</b>			
Debtors due within one year	11	<u>26,173,903</u>	<u>21,630,796</u>
		26,173,903	21,630,796
<b>Creditors: amounts falling due within one year</b>	12	<u>(30,626,622)</u>	<u>(22,545,330)</u>
<b>Net current liabilities</b>		<u>(4,452,719)</u>	<u>(914,534)</u>
<b>Net liabilities</b>		<u>(4,452,719)</u>	<u>(914,534)</u>
Called up share capital	14	2,010,000	2,010,000
Share premium account	15	35,066	35,066
Profit and loss account	15	<u>(6,497,785)</u>	<u>(2,959,600)</u>
<b>Equity shareholders' funds</b>		<u>(4,452,719)</u>	<u>(914,534)</u>

These financial statements were approved by the Board of directors on 20 March 2008 and were signed on its behalf by



F D Gregory  
Director

The accounting policies and notes on pages 7 to 12 form part of these financial statements



## **BM LEASING (1992) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007**

#### **1. STATEMENT OF ACCOUNTING POLICIES**

##### **(a) Basis of preparation**

The financial statements of BM Leasing (1992) Limited (the 'company') have been prepared in accordance with applicable accounting standards and under the historical cost accounting convention and on a going concern basis

The financial statements have been prepared on a going concern basis, the parent company, BUPA Investments Limited, having undertaken to provide such financial assistance as necessary to enable the company to meet its liabilities as they fall due for payment

As the company is a wholly owned subsidiary undertaking of BUPA Investments Limited, a company registered in England and Wales, 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 companies which are subsidiary undertakings of the BUPA Group. There are no other related party transactions.

The Ultimate Parent Company, BUPA (British United Provident Association) Limited, represents the largest company into which these financial statements are consolidated, BUPA Finance Plc being the smallest.

##### **(b) 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 wholly owned subsidiary undertaking of The British United Provident Association Limited, a company that prepares a consolidated cash flow statement for the BUPA Group.

##### **(c) Turnover**

Turnover represents the gross earnings from finance leases.

##### **(d) 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:

- Provision is made for tax on gains arising from the revaluation of property to its fixed asset 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 tax only where the replacement assets are sold.
- 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.
- 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.

##### **(e) Fixed assets and depreciation**

Fixed assets are stated at cost. Depreciation is calculated as to write off the cost by equal instalments over their estimated useful lives, as follows:

Equipment - 3 years or the length of the finance lease.

**BM LEASING (1992) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007 - continued****2. IMMEDIATE AND ULTIMATE HOLDING COMPANY**

The company is a subsidiary undertaking of BUPA Investments Limited, which is registered in England and Wales

The largest group in which the results of the company are consolidated is that headed by The British Provident Association Limited (BUPA), which is registered in England and Wales. The smallest group in which they are consolidated is that headed by BUPA Finance Plc, which is registered in England and Wales. No other group financial statements include the results of the company. The consolidated financial statements of these groups are available to the public from the Registrar of Companies, Cardiff, CF14 3UZ.

**3. STAFF COSTS AND DIRECTORS' REMUNERATION****Employees**

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

No remuneration was paid to any of the directors during the year (2006: £nil).

**4. EXCEPTIONAL ITEMS**

The finance lease arrangements were terminated as at 31 December 2006 following reaching agreement with HRMC on a without prejudice basis and as a consequence the VAT debtor balance of £4,392,560 has been written off to the profit and loss account. The early termination gave rise to a loss charged to the comparative profit and loss account of £310,335. The company has not entered into any new leasing arrangements in the year and the directors do not expect the company to enter into any new leasing arrangements in the coming year.

The unencumbered assets were subsequently sold to the ultimate finance lessee group company at the carrying net book value uplifted for VAT to reflect market value.

	2007	2006
	£	£
Write off VAT debtor	-	4,392,560
Loss on termination	-	310,335
	<u>-</u>	<u>4,702,895</u>

**5. INTEREST RECEIVABLE**

	2007	2006
	£	£
Interest receivable from group companies	<u>4,821,454</u>	<u>49,181</u>

**6. INTEREST PAYABLE AND SIMILAR CHARGES**

	2007	2006
	£	£
Interest payable to group companies	(9,876,004)	(2,431,272)
Finance charges	-	(1,180,799)
	<u>(9,876,004)</u>	<u>(3,612,071)</u>

# BM LEASING (1992) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007 - continued

### 7. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2007	2006
	£	£
<b>Loss on ordinary activities is stated</b>		
<b>after charging:</b>		
Gross charges under finance leases - Group undertakings	-	(584,205)
Exceptional items	-	(4,702,895)
Depreciation - leased assets	-	(254,145)
Other operating charges - Group undertakings	-	(5,231)
	<u>-</u>	<u>(5,546,476)</u>
<b>after crediting:</b>		
Equipment rentals receivable - Group undertakings	-	254,145
Gross earnings under finance leases - Group undertakings	-	1,474,435
	<u>-</u>	<u>1,728,580</u>
The aggregate rentals received under finance leases are as follows		
Finance charges	-	1,288,435
Capital repayments	-	7,890,841
	<u>-</u>	<u>9,179,276</u>
The aggregate rentals paid under finance leases are as follows		
Finance charges	-	(584,205)
Capital repayments	-	(2,537,896)
	<u>-</u>	<u>(3,122,101)</u>

### 8. AUDITOR'S REMUNERATION

	2007	2006
	£	£
Fees for the audit of the company	<u>(3,642)</u>	<u>(3,359)</u>

Fees for the audit of the company represent the amount receivable by the company's auditors. The amount will 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.

**BM LEASING (1992) LIMITED**
**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007 - continued**
**9 TAX ON LOSS ON ORDINARY ACTIVITIES**
**(i) Analysis of tax credit**

	2007 £	2006 £
<b>Current Tax</b>		
UK Corporation tax on losses of the year	(1,516,365)	(3,653,530)
Adjustments in respect of prior periods	-	(144,521)
<b>Total current tax</b>	<u>(1,516,365)</u>	<u>(3,798,051)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	1,775,527
Adjustments in respect of prior periods	-	144,521
<b>Tax on loss on ordinary activities</b>	<u>(1,516,365)</u>	<u>(1,878,003)</u>

**(ii) Factors affecting the tax credit**

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 30%. The differences are explained below

	2007 £	2006 £
<b>Loss on ordinary activities before tax</b>	<u>(5,054,550)</u>	<u>(6,856,581)</u>
<b>Tax credit on loss on ordinary activities at 30%</b>	<u>(1,516,365)</u>	<u>(2,056,974)</u>
<b>Effects of</b>		
Expenses not deductible for tax purposes	-	178,971
Accelerated capital allowances	-	(1,775,527)
Adjustments to tax charge in respect to prior periods	-	(144,521)
<b>Total current tax credit for the year</b>	<u>(1,516,365)</u>	<u>(3,798,051)</u>

**10 FIXED ASSETS**

	Equipment £	TOTAL £
<b>Equipment Assets under finance leases</b>		
<b>Cost</b>		
At 1 January 2007	1,016,580	1,016,580
At 31 December 2007	<u>1,016,580</u>	<u>1,016,580</u>
<b>Depreciation</b>		
At 1 January 2007	(1,016,580)	(1,016,580)
Charge for year	-	-
At 31 December 2007	<u>(1,016,580)</u>	<u>(1,016,580)</u>
<b>Net Book Value</b>		
At 31 December 2007	<u>-</u>	<u>-</u>
At 31 December 2006	<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2007 - continued**

**11 DEBTORS**

	2007 £	2006 £
<b>Amounts falling due within one year:</b>		
Amounts due from Group undertakings	15,026,605	11,356,777
Loans to Group companies	10,600,276	10,000,000
VAT control account	5,939	84,875
Other debtors	541,083	189,144
	<u>26,173,903</u>	<u>21,630,796</u>

**12 CREDITORS**

	2007 £	2006 £
<b>Amounts falling due within one year:</b>		
Bank overdraft	-	(2,563)
Amounts owed to Group undertakings	(30,626,622)	(22,189,342)
Other creditors	-	(274,489)
VAT recoverable	-	(78,936)
	<u>(30,626,622)</u>	<u>(22,545,330)</u>

**BM LEASING (1992) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007 - continued**

**13 DEFERRED TAX**

Deferred tax liabilities are analysed as follows

	2007	2006
	£	£
At the beginning of year	-	(1,920,048)
Deferred tax charge / (credit) for period	-	1,920,048
At end of year	<u>-</u>	<u>-</u>

The net deferred tax asset is included within other debtors

**14. SHARE CAPITAL**

	2007	2006
	£	£
<b>Authorised</b>		
20,100,000 ordinary shares of 10 pence each	<u>2,010,000</u>	<u>2,010,000</u>
<b>Allotted, called-up and fully paid</b>		
20,100,000 ordinary shares of 10 pence each	<u>2,010,000</u>	<u>2,010,000</u>

**15. RESERVES**

	2007	2006
	Profit and loss account	Profit and loss account
	£	£
At beginning of year	(2,959,600)	2,018,978
Loss for the year	<u>(3,538,185)</u>	<u>(4,978,578)</u>
At end of year	<u>(6,497,785)</u>	<u>(2,959,600)</u>

	2007	2006
	Share premium account	Share premium account
	£	£
At beginning of year	<u>35,066</u>	<u>35,066</u>
At end of year	<u>35,066</u>	<u>35,066</u>

**16. GUARANTEES AND OTHER FINANCIAL COMMITMENTS**

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

The company has no obligation in respect of future capital expenditure