

BM LEASING (1992) LIMITED

(Registered No. 1130440)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

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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 2008

The directors present their annual report and the audited financial statements for the year ended 31 December 2008.

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 £703,542 (2007: loss of £3,538,185). No dividend is proposed for 2008 (2007: £nil).

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 certain 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	Resigned 23/05/2008
R King	Resigned 15/05/2008
N T Beazley	
F D Gregory	
M A Merchant	Appointed 23/05/2008

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.

BM LEASING (1992) LIMITED

**REPORT OF THE DIRECTORS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2008**


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:

By Order of the Board

Bupa House
15-19 Bloomsbury Way
London
WC1A 2BA



25 March 2009

For and on behalf of
Bupa Secretaries Limited
Secretary

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

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 judgments 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BM LEASING (1992) LIMITED FOR THE YEAR ENDED 31 DECEMBER 2008

We have audited the financial statements of BM Leasing (1992) Limited for the year ended 31 December 2008 which comprise of 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 3.

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 judgments 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.

BM LEASING (1992) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BM LEASING (1992) LIMITED (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

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 2008 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
25 March 2009

8 Salisbury Square
London EC4Y 8BB

BM LEASING (1992) LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2008**

	Note	2008 £	2007 £
Operating expenses		<u>(190,983)</u>	<u>-</u>
Operating loss		(190,983)	-
Interest receivable	3	10,432,044	4,821,454
Interest payable and similar charges	4	<u>(10,769,468)</u>	<u>(9,876,004)</u>
Loss on ordinary activities before taxation		(528,407)	(5,054,550)
Tax on (loss)/profit on ordinary activities	6	(175,135)	1,516,365
Retained loss for the year	10	<u>(703,542)</u>	<u>(3,538,185)</u>

The operating loss for 2008 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 £703,542 (2007: loss of £3,538,185).

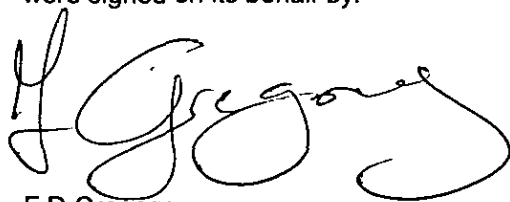
The accounting policies and notes on pages 9 to 12 form part of these financial statements.

BM LEASING (1992) LIMITED

**BALANCE SHEET AS AT 31 DECEMBER
2008**

	Note	2008 £	2007 £
Current assets			
Debtors: (including £11,268,666 (2007: £10,600,276) due after more than one year)	7	178,941,076	26,173,903
		<u>178,941,076</u>	<u>26,173,903</u>
Current liabilities			
Creditors: amounts falling due within one year	8	(184,097,337)	(30,626,622)
Net current liabilities		<u>(5,156,261)</u>	<u>(4,452,719)</u>
Net liabilities		<u>(5,156,261)</u>	<u>(4,452,719)</u>
Capital and reserves			
Called up share capital	9	2,010,000	2,010,000
Share premium account	10	35,066	35,066
Profit and loss account	10	(7,201,327)	(6,497,785)
Equity shareholders' funds		<u>(5,156,261)</u>	<u>(4,452,719)</u>

These financial statements were approved by the Board of directors on 25 March 2009 and were signed on its behalf by:



F D Gregory
Director

The accounting policies and notes on pages 9 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 2008**

	2008 £	2007 £
Loss for the financial year	<u>(703,542)</u>	<u>(3,538,185)</u>
Reduction to equity shareholder's funds	(703,542)	(3,538,185)
Opening equity shareholders' funds	<u>(4,452,719)</u>	<u>(914,534)</u>
Closing equity shareholders' funds	<u>(5,156,261)</u>	<u>(4,452,719)</u>

The accounting policies and notes on pages 9 to 12 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

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 in view of a letter of support from Bupa Finance Plc, having undertaken to provide such financial assistance as necessary to enable the company to meet its liabilities as they fall due for payment for a minimum period of at least 12 months from the date of the signed accounts.

As the company is a wholly owned subsidiary undertaking of BUPA Investments Ltd, 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 companies which are subsidiary undertakings of the BUPA Group. There are no other related party transactions.

(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 Ltd, a company that prepares a consolidated cash flow statement for the Bupa Group.

(c) 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:

- 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.

(d) Interest Receivable

Interest is received on outstanding inter-company debtor balances and is calculated using a rate determined by Group.

(e) Interest Payable

Interest is paid on outstanding inter-company creditor balances and is calculated using a rate determined by Group.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)**

2. STAFF COSTS AND DIRECTORS' REMUNERATION

Employees

The company had no employees during the year (2007: nil) and consequently incurred no staff costs.

No remuneration was paid to any of the directors during the year (2007: £nil)

3. INTEREST RECEIVABLE	2008	2007
	£	£
Interest receivable from group companies	<u>10,432,044</u>	<u>4,821,454</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES	2008	2007
	£	£
Interest payable to group companies	<u>(10,769,468)</u>	<u>(9,876,004)</u>

5. AUDITOR'S REMUNERATION	2008	2007
	£	£
Fees for the audit of the company	<u>(4,061)</u>	<u>(3,642)</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. TAX ON LOSS ON ORDINARY ACTIVITIES	2008	2007
	£	£

(i) Analysis of tax charge in year

<i>UK Corporation tax</i>		
Current tax on losses of the year	(150,581)	(1,516,365)
Adjustments in respect of prior years	325,716	-
Total current tax	<u>175,135</u>	<u>(1,516,365)</u>
Tax charge/(credit) on loss on ordinary activities	<u>175,135</u>	<u>(1,516,365)</u>

BM LEASING (1992) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)****(ii) Factors affecting the tax credit**

The tax assessed for the period is higher than/equal to the standard rate of corporation tax in the UK of 28.5% (2007:30%). The differences are explained below:

	2008 £	2007 £
Loss on ordinary activities before tax	(528,407)	(5,054,550)
Tax credit on loss on ordinary activities at 28.5% (2007: 30%)	(150,581)	(1,516,365)
<i>Effects of:</i>		
Adjustments to tax charge in respect of prior years	325,716	-
Total current tax charge/(credit) for year	<u>175,135</u>	<u>(1,516,365)</u>

7. DEBTORS

	2008 £	2007 £
Amounts owed from Group companies	178,935,137	15,026,605
Other debtors	5,939	547,022
	<u>178,941,076</u>	<u>26,173,903</u>

Debtors include loans to Group companies of £11,268,666 (2007: £10,600,276) due after more than one year.

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £	2007 £
Amounts falling due within one year:		
Amounts due to Group undertakings	184,092,245	30,626,622
Other creditors	5,092	-
	<u>184,097,337</u>	<u>30,626,622</u>

BM LEASING (1992) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)

9. SHARE CAPITAL

	2008 £	2007 £
Authorised		
20,100,00 ordinary shares of 10 pence each	<u>2,010,000</u>	<u>2,010,000</u>
Allotted, called-up and fully paid		
20,100,00 ordinary shares of 10 pence each	<u>2,010,000</u>	<u>2,010,000</u>

10. RESERVES

	2008 Profit and loss account £	2007 Profit and loss account £
Opening balance	(6,497,785)	(2,959,600)
Accumulated losses for the year	<u>(703,542)</u>	<u>(3,538,185)</u>
Closing balance	<u>(7,201,327)</u>	<u>(6,497,785)</u>

	2008 Share premium £	2007 Share premium £
Opening balance	<u>35,066</u>	<u>35,066</u>
Closing balance	<u>35,066</u>	<u>35,066</u>

11. 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.

12. IMMEDIATE AND ULTIMATE HOLDING COMPANY

The company is a subsidiary undertaking of Bupa Investments Ltd. The ultimate parent company is The British United Provident Association Ltd.

The largest group which the results of the company are consolidated is that headed by The British United Provident Association Ltd. The smallest group in which they are consolidated is that headed by Bupa Finance Plc. 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.