

BUPA Carefinder Network Limited

(Registered number 1317124)

Directors' Report and Financial Statements

For the Year Ended 31 December 2002



BUPA Carefinder Network Limited

Report of the directors

Year ended 31 December 2002

The Directors present their report and financial statements for the year ended 31 December 2002.

1. Review of the business

The Company did not trade during the year and therefore made no profit or loss.

On 14 June 2002 the authorised share capital of the Company was increased from £1,000 to £2,000,000 by the creation of 1,999,000 ordinary shares of £1 each.

On 14 June 2002 the Company issued 1,427,996 ordinary shares. The proceeds from the share issue were used by the Company to settle its indebtedness with BUPA Investments Limited.

2. Directors and directors' interests

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

J P Davies
M I Dugdale
D A Gray
R King
A D Walford

There were no Directors' interests requiring disclosure under Section 234 of the Companies Act 1985.

3. Auditors

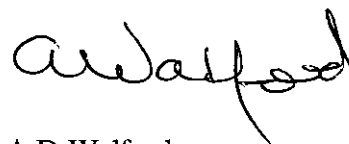
Pursuant to a shareholders' resolution, the Company is not obliged to reappoint its auditors annually and KPMG Audit Plc will therefore continue in office.

Registered Office :

BUPA House
15-19 Bloomsbury Way
London
WC1A 2BA

13 March 2003

By Order of the Board



A D Walford
Secretary

BUPA Carefinder Network Limited

Statement of directors' responsibilities in respect of the financial statements

Company law requires the Directors to prepare financial statements for each financial year which 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 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 are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BUPA Carefinder Network Limited

Report of the independent auditors to the members of BUPA Carefinder Network Limited

We have audited the financial statements set out on pages 4 to 7.

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 are responsible for preparing the Directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 Directors' report is not consistent with the financial statements, if 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 transactions with the Company is not disclosed.*

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards 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 of the state of affairs of the Company as at 31 December 2002 and of the result of the Company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc
KPMG Audit Plc
Chartered Accountants
Registered Auditor

London

13 March 2003

BUPA Carefinder Network Limited

Balance Sheet as at 31 December 2002

		2002	2001
	<i>Note</i>	£	£
Debtors:			
Amounts owed by Group undertakings		51	-
Creditors:			
Owed to Group undertakings: falling due within one year		-	(1,427,945)
Net assets/(liabilities)		<u>51</u>	<u>(1,427,945)</u>
Capital and Reserves			
Called up share capital	3	1,428,000	4
Profit and loss account		(1,427,949)	(1,427,949)
Shareholders' funds/deficit		<u>51</u>	<u>(1,427,945)</u>

These financial statements were approved by the Board of Directors on 13 March 2003 and were signed on its behalf by

D A Gray



Director

The accounting policies and notes on pages 6 to 7 form part of these Financial Statements.

BUPA Carefinder Network Limited**Reconciliation of movements in shareholders' funds
Year ended 31 December 2002**

	2002 £	2001 £
New share capital subscribed (net of issue costs)	1,427,996	-
Net addition to shareholders' funds	1,427,996	-
Opening shareholders' deficit	(1,427,945)	(1,427,945)
Closing shareholders' funds/(deficit)	51	(1,427,945)

BUPA Carefinder Network Limited

Notes to the Financial Statements Year ended 31 December 2002

1. Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting convention.

As the Company is a wholly owned subsidiary undertaking of The British United Provident Association Limited (BUPA), 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.

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.

2. Ultimate holding company

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

The ultimate parent undertaking of BUPA Carefinder Network Limited is The British United Provident Association Limited (BUPA), a company registered in England and Wales. The only group preparing consolidated group accounts which include BUPA Carefinder Network Limited is BUPA. Copies of the accounts of BUPA can be obtained from The Registrar of Companies, Cardiff, CR4 3UZ.

3. Called up share capital

	2002 £	2001 £
Authorised		
2,000,000 ordinary shares of £1 each	<u>2,000,000</u>	<u>1,000</u>
Allotted, called-up and fully paid		
1,428,000 ordinary shares of £1 each	<u>1,428,000</u>	<u>4</u>

BUPA Carefinder Network Limited

Notes to the Financial Statements

Year ended 31 December 2002

4. 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.

The Company has given a guarantee and other undertakings in respect of the loans 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.