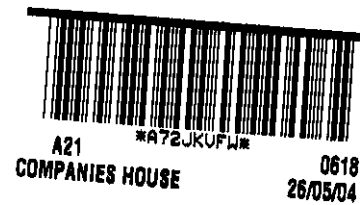


BUPA WORLDWIDE MEDIA SERVICES LIMITED

(Registered No. 1320520)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2003



BUPA WORLDWIDE MEDIA SERVICES LIMITED

REPORT OF THE DIRECTORS

For the year ended 31st December 2003

The Directors present their annual report and the audited financial statements for the year ended 31st December 2003.

1. Principal activity

The principal activity of the Company is the centralised purchasing of media services.

2. Results and dividends

The profit for the year, after taxation, amounted to £757,254 (2002 – profit £1,259,035).

No interim dividend was paid during the year. No final dividend is proposed (2002 – £nil).

3. Directors and directors' interests

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

D B Riley

J Copeland

J P Davies

M A Merchant (Alternate to J P Davies)

K D Poole (Alternate to J Copeland and D Riley) resigned 17th April 2003

C E Bradley (Alternate to J Copeland and D Riley) appointed 1st May 2003

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

4. 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

By Order of the Board



J Copeland
Director

26th March 2004

BUPA WORLDWIDE MEDIA SERVICES 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;
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- make judgements and estimates that are reasonable and prudent;
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- 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 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 WORLDWIDE MEDIA SERVICES LIMITED

Report of the independent auditors to the members of BUPA Worldwide Media Services Limited

We have audited the financial statements on pages 4 to 11.

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 the company's affairs as at 31st December 2003 and of its profit 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

19 May 2004

BUPA WORLDWIDE MEDIA SERVICES LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 31st December 2003

	<i>Note</i>	2003 £	2002 £
Turnover		9,185,643	7,370,510
Operating Expenses		<u>(9,203,624)</u>	<u>(7,364,239)</u>
Operating (loss) / profit		(17,981)	6,271
 Interest receivable and similar income	4	<u>1,099,772</u>	<u>1,792,350</u>
Profit on ordinary activities before taxation	5	1,081,791	1,798,621
Tax on profit on ordinary activities	6	<u>(324,537)</u>	<u>(539,586)</u>
Profit for the financial year		<u>757,254</u>	<u>1,259,035</u>

The operating (loss) / profit is 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.

There were no recognised gains or losses other than the profit for the financial year.

BUPA WORLDWIDE MEDIA SERVICES LIMITED**BALANCE SHEET**
as at 31st December 2003

	Note	2003 £	2002 £
Current Assets			
Debtors : amounts falling due within one year	7	30,866,027	39,339,390
Cash at bank and in hand		15,848	28,735
		<u>30,881,875</u>	<u>39,368,125</u>
Creditors : amounts falling due within one year	8	(23,579,403)	(32,822,907)
		<u></u>	<u></u>
Net assets		<u>7,302,472</u>	<u>6,545,218</u>
Capital and reserves			
Called up share capital	9	72,000	72,000
Share premium account	10	67,400	67,400
Profit and loss account	10	<u>7,163,072</u>	<u>6,405,818</u>
		<u></u>	<u></u>
Equity Shareholders' Funds		<u>7,302,472</u>	<u>6,545,218</u>

These financial statements were approved by the Board of Directors on 26th March 2004 on its behalf by



John Copeland
Director

The accounting policies and notes on pages 7 to 11 form part of these Financial Statements.

BUPA WORLDWIDE MEDIA SERVICES LIMITED

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
for the year ended 31st December 2003

	2003	2002
	£	£
Profit for the financial year	<u>757,254</u>	<u>1,259,035</u>
Opening shareholders' funds	<u>6,545,218</u>	<u>5,286,183</u>
Closing shareholders' funds	<u>7,302,472</u>	<u>6,545,218</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st December 2003

1. STATEMENT OF ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting convention and on a going concern basis.

As the Company is a wholly owned subsidiary of The British United Provident Association Limited, it has taken advantage of the exemption contained in Financial Reporting Standard No.8 "Related party disclosures" and has therefore not disclosed separately transactions of balances with entities which form part of the BUPA Group.

(b) Cash flow statement

The Company is exempt from the requirement of Financial Reporting Standard No.1 (Revised 1996) to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of The British United Provident Association Limited and its cash flows are included within the consolidated cash flow statement of that company.

(c) Turnover

Turnover represents the total amount earned by the Company in the ordinary course of business with other group undertakings for services rendered after deducting trade discounts and value added tax, where applicable.

(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 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.
- 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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st December 2003 - continued

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.

2. IMMEDIATE AND ULTIMATE HOLDING COMPANY

The Company is a wholly owned subsidiary of BUPA Investments Limited which is registered in England and Wales.

The ultimate holding company is The British United Provident Association Limited, (BUPA), which is registered in England and Wales, in whose accounts these financial statements are consolidated. A copy of BUPA's consolidated financial statements is available to the public from The Registrar of Companies, Cardiff, CF4 3UZ.

3. STAFF COSTS AND DIRECTORS' REMUNERATION

a) Employees

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of Employees	
	2003	2002
Administration	<u>3</u>	<u>3</u>

The aggregate payroll costs of these persons were as follows:

	2003	2002
	£	£
Wages and salaries	13,200	13,200
Social security costs	<u>727</u>	<u>713</u>
	<u>13,927</u>	<u>13,913</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st December 2003 - continued

b) Directors

Remuneration of Directors	2003	2002
	£	£
Directors emoluments:	6,600	6,600

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2003	2002
	£	£
Receivable from Group undertakings	1,099,017	1,443,095
Other interest receivable	755	349,255
	<u>1,099,772</u>	<u>1,792,350</u>

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2003	2002
	£	£
<i>Profit on ordinary activities is stated after charging:</i>		
Auditors' remuneration:		
Audit	5,720	5,275
Fees for other services	995	525

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st December 2003 - continued

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2003	2002
	£	£
(i) Analysis of charge		
<i>Current Tax</i>		
UK corporation tax on profits of the year	324,537	539,586
Double taxation relief	(216,358)	(359,724)
	2003	2002
	£	£
Foreign tax on profits of the year	<u>216,358</u>	<u>359,724</u>
Total current tax	<u>324,537</u>	<u>539,586</u>
Tax on profit on ordinary activities	<u>324,537</u>	<u>539,586</u>

(ii) Factors affecting tax charge

The tax assessed for the year is equivalent to the standard rate of corporation tax in the UK of 30%.

Profit on ordinary activities before tax	<u>1,081,791</u>	<u>1,798,621</u>
Tax charge on profit on ordinary activities at 30%	<u>324,537</u>	<u>539,586</u>

7. DEBTORS

	2003	2002
	£	£
Amounts falling due within one year:		
Amounts owed by Group undertakings	30,845,134	39,043,124
Taxation and social security	13,071	288,464
Prepayments and accrued income	<u>7,822</u>	<u>7,802</u>
	<u>30,866,027</u>	<u>39,339,390</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st December 2003 - continued

8. CREDITORS

	2003	2002
	£	£
Amounts falling due within one year:		
Payments received on account	23,471,431	32,657,074
Trade creditors	5,876	7,007
Amounts owed to Group undertakings	102,096	158,826
	<u>23,579,403</u>	<u>32,822,907</u>

Payments received on account represent prepayments for media services to be rendered to Group undertakings.

9. SHARE CAPITAL

	2003	2002
	£	£
Authorised		
72,000 ordinary shares of £1 each	<u>72,000</u>	<u>72,000</u>
Allotted, called-up and fully paid		
72,000 ordinary shares of £1 each	<u>72,000</u>	<u>72,000</u>

10. RESERVES

	Share premium account £	Profit and loss account £
At the beginning of the year	67,400	6,405,818
Retained profit	-	757,254
	<u>67,400</u>	<u>7,163,072</u>
At the end of the year		