

BUPA WELLBEING LIMITED

(Registered No. 1404329)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2005



BUPA WELLBEING LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2005**

The directors present their annual report and the audited financial statements for the year ended 31 December 2005.

1. Principal activity

The principal activity of the company is the provision of a medical advice service. There have been no significant changes in the activities during the year.

2. Review of the business

The directors consider the development of the company during the year to be satisfactory and do not foresee any significant changes in the forthcoming year.

3. Results and dividends

The loss for the year, after taxation, amounted to £7,243 (2004: profit £217,612).
No dividend is proposed for 2005 (2004: £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 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. Directors and directors' interests

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

N T Beazley (appointed 1 September 2005)
J P Davies
M I Dugdale
B D J Kent (appointed 1 September 2005)
R King
A D Walford (resigned 1 September 2005)

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

6. 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.

7. 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.

Registered Office:
BUPA House
15-19 Bloomsbury Way
London
WC1A 2BA

By Order of the Board



For and on behalf of BUPA Secretaries Limited
Secretary

9 March 2006

BUPA WELLBEING LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF 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.

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 its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps that 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.

BUPA WELLBEING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUPA WELLBEING LIMITED

We have audited the financial statements of BUPA Wellbeing Limited for the year ended 31 December 2005 which comprise the Profit and Loss Account, the Balance Sheet and the 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

As described in the Statement of Directors' Responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 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 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, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its loss for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

Chartered Accountants

8 Salisbury Square

Registered Auditor

9 March 2006

KPMG Audit Plc

BUPA WELLBEING LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2005**

	<i>Note</i>	2005 £	2004 £
Turnover	<i>1</i>	1,495,444	1,293,701
Cost of sales		(1,222,690)	(979,486)
Gross Profit		<u>272,754</u>	<u>314,215</u>
Operating expenses		(263,757)	(40,231)
Operating profit		<u>8,997</u>	<u>273,984</u>
Interest Receivable	<i>5</i>	126,179	76,100
Interest Payable	<i>6</i>	(127,833)	(39,210)
Profit on ordinary activities before taxation	<i>4</i>	<u>7,343</u>	<u>310,874</u>
Tax on profit on ordinary activities	<i>7</i>	(14,586)	(93,262)
Retained (loss)/profit for the year	<i>11</i>	<u>(7,243)</u>	<u>217,612</u>

The profit on ordinary activities is all derived from continuing operations.

There are no recognised gains or losses other than the loss for the financial year.


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 7 to 10 form part of these financial statements.

BUPA WELLBEING LIMITED**BALANCE SHEET AS AT
31 DECEMBER 2005**

	<i>Note</i>	2005 £	2004 £
Current assets			
Debtors	8	3,556,050	2,403,145
Cash at bank and in hand		-	1,471,909
		<u>3,556,050</u>	<u>3,875,054</u>
Creditors: amounts falling due within one year	9	(2,293,363)	(2,605,124)
Net assets		<u>1,262,687</u>	<u>1,269,930</u>
Capital and reserves			
Called up share capital	10	2	2
Profit and loss account	11	1,262,685	1,269,928
Equity shareholder's funds		<u>1,262,687</u>	<u>1,269,930</u>

These financial statements were approved by the Board of Directors on 9 March 2006 and were signed on its behalf by



B D J Kent
Director

BUPA WELLBEING LIMITED

**RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDER'S FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2005**

	2005	2004
	£	£
(Loss)/Profit for the financial year	(7,243)	217,612
Opening equity shareholder's funds	1,269,930	1,052,318
Closing equity shareholder's funds	<u>1,262,687</u>	<u>1,269,930</u>

BUPA WELLBEING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

1. STATEMENT OF ACCOUNTING POLICIES

(a) Basis of preparation

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

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 Disclosure (FRS 8) not included details of transactions with other BUPA group companies which are subsidiary undertakings of the BUPA group. There were 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 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.

(c) Turnover

Turnover represents the total amount earned by the company in the ordinary course of business for goods supplied and services rendered after deducting trade discounts and value added tax, where applicable. All turnover arises within the United Kingdom.

(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.
- 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 rates and laws.

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

BUPA WELLBEING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

2. IMMEDIATE AND ULTIMATE HOLDING COMPANY

The company is a direct wholly owned subsidiary undertaking of BUPA Investments Limited which is registered in England and Wales. Copies of BUPA Investments Ltd's financial statements are available to the public from The Registrar of Companies, Cardiff, CF4 3UZ.

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

3. STAFF COSTS AND DIRECTORS' REMUNERATION

Employees

The company had no employees during the year (2004:nil) and consequently incurred no staff costs (2004:nil)

No remuneration was paid to any of the directors for the year (2003: nil)

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAX

	2005 £	2004 £
<i>Profit on ordinary activities is stated after charging</i>		
Auditors' remuneration	<u>(3,744)</u>	<u>(3,630)</u>

5. INTEREST RECEIVABLE

	2005 £	2004 £
Interest receivable from group undertakings	<u>126,179</u>	<u>76,100</u>

6. INTEREST PAYABLE

	2005 £	2004 £
Interest payable to group undertakings	<u>(127,832)</u>	<u>(39,210)</u>

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

(i) Analysis of tax charge in period

	2005 £	2004 £
Current tax		
UK corporation tax on profits of the period	<u>(14,586)</u>	<u>(93,262)</u>

BUPA WELLBEING LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005****7. TAX ON PROFIT ON ORDINARY ACTIVITIES (Continued)****(ii) Factors affecting the tax charge**

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

	2005 £	2004 £
Profit on ordinary activities before tax	<u>7,343</u>	<u>310,874</u>
Tax charge on profit on ordinary activities at 30%	(2,203)	(93,262)
Effects of:		
Expenses not deductible for tax purposes	(12,383)	-
Tax charge on profit on ordinary activities at 30%	<u>(14,586)</u>	<u>(93,262)</u>

8. DEBTORS

	2005 £	2004 £
Amounts falling due within one year:		
Amounts due from group undertakings	3,095,697	1,618,680
Trade debtors	221,395	-
Other debtors	1,423	-
Prepayments and accrued income	237,535	784,465
	<u>3,556,050</u>	<u>2,403,145</u>

9. CREDITORS

	2005 £	2004 £
Amounts falling due within one year:		
Amounts owed to group undertakings	(940,686)	(1,778,213)
Bank overdraft	(826,226)	-
Other creditors	(137)	(42,377)
Accruals and deferred income	(526,314)	(784,534)
	<u>(2,293,363)</u>	<u>(2,605,124)</u>

10. SHARE CAPITAL

	2005 £	2004 £
Authorised		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called-up and fully paid		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

BUPA WELLBEING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

11. RESERVES

	Profit and loss account £
At 1 January 2005	1,269,928
Retained loss for the year	(7,243)
At 31 December 2005	<u>1,262,685</u>

12. 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.

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

The company has no obligation in respect of future capital expenditure.