

**BUPA WELLBEING LIMITED**

**(Registered No. 1404329)**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2003**



# **BUPA WELLBEING LIMITED**

## **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2003**

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

### **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 profit for the year, after taxation, amounted to £269,965 (2002 - £225,376).  
No dividend is proposed for 2003 (2002 - nil).

### **4. Directors and directors' interests**

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

M I Dugdale  
J P Davies  
A D Walford  
R King

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

### **5. 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.

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

By Order of the Board



11 March 2004

J P Sanders  
Secretary

## **BUPA WELLBEING 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 WELLBEING LIMITED**

### **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BUPA WELLBEING LIMITED**

We have audited the financial statements set out on pages 4 to 9

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 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 at 31 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

11 March 2004

**BUPA WELLBEING LIMITED****PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2003**

	Note	2003 £	2002 £
<b>Turnover</b>	1	1,214,948	906,982
Cost of sales		<u>(745,247)</u>	<u>(512,557)</u>
<b>Gross Profit</b>		469,701	394,425
Operating expenses		<u>(84,037)</u>	<u>(72,459)</u>
<b>Profit on ordinary activities before taxation</b>	4	385,664	321,966
Tax on profit on ordinary activities	5	(115,699)	(96,590)
<b>Retained profit for the year</b>	9	<u>269,965</u>	<u>225,376</u>

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

There are no recognised gains or losses other than the profit for the financial year of £269,965 (2002 £225,376).

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 9 form part of these financial statements.

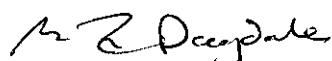
**BUPA WELLBEING LIMITED****RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDER'S FUNDS  
FOR THE YEAR ENDED 31 DECEMBER 2003**

	2003 £	2002 £
<b>Profit for the financial year</b>	<u>269,965</u>	<u>225,376</u>
<b>Net addition to equity shareholder's funds</b>	269,965	225,376
<b>Opening equity shareholder's funds</b>	782,353	556,977
<b>Closing equity shareholder's funds</b>	<u>1,052,318</u>	<u>782,353</u>

**BUPA WELLBEING LIMITED****BALANCE SHEET  
AS AT 31 DECEMBER 2003**

	<i>Note</i>	2003 £	2002 £
<b>Current assets</b>			
Debtors	6	2,264,864	2,067,584
Cash at bank and in hand		<u>11,322</u>	<u>88,674</u>
		2,276,186	2,156,258
<b>Creditors: amounts falling due within one year</b>	7	<u>(1,223,868)</u>	<u>(1,373,905)</u>
<b>Net assets</b>		<u>1,052,318</u>	<u>782,353</u>
<b>Capital and reserves</b>			
Called up share capital	8	2	2
Profit and loss account	9	<u>1,052,316</u>	<u>782,351</u>
<b>Equity shareholder's funds</b>		<u>1,052,318</u>	<u>782,353</u>

These financial statements were approved by the Board of Directors on 11 March 2004  
and were signed on its behalf by



M I Dugdale  
Director

The accounting policies and notes on pages 7 to 9 form part of these Financial Statements.

# **BUPA WELLBEING LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003**

### **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 of The British United Provident Association Ltd (BUPA), it has taken advantage of the exemption contained in Financial Reporting Standard "Related Party Disclosure" FRS 8 and has therefore not disclosed separately the transactions or balances with entities which form part of the BUPA group of companies.

#### **(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 ENDING 31 DECEMBER 2003 - continued

### 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 (2002:nil) and consequently incurred no staff costs (2002:nil)

No remuneration was paid to any of the directors for the year (2002:nil)

### 4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2003	2002
	£	£
<i>Profit on ordinary activities is stated after charging :</i>		
Auditors' remuneration	<u>3,630</u>	<u>3,841</u>

### 5. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	2003	2002
(i) Analysis of tax charge in period	£	£
Current tax		
UK corporation tax on profits of the period	<u>115,699</u>	<u>96,590</u>
Tax on profit on ordinary activities	<u>115,699</u>	<u>96,590</u>

#### (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%.

	2003	2002
	£	£
Profit on ordinary activities before tax	<u>385,664</u>	<u>321,966</u>
	£	£
Tax charge on profit on ordinary activities at 30%	<u>115,699</u>	<u>96,590</u>

**BUPA WELLBEING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2003 - continued**

**6. DEBTORS**

	2003 £	2002 £
<b>Amounts falling due within one year:</b>		
Amounts owed by group undertakings	1,633,754	1,574,641
Prepayments and accrued income	631,110	492,943
	<u>2,264,864</u>	<u>2,067,584</u>

**7. CREDITORS - amounts falling due within one year :**

	2003 £	2002 £
Amounts owed to group undertakings	(572,310)	(830,875)
Other creditors	(39,065)	(15,742)
Accruals and deferred income	(612,493)	(527,288)
	<u>(1,223,868)</u>	<u>(1,373,905)</u>

**8. SHARE CAPITAL**

	2003 £	2002 £
<b>Authorised</b>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
<b>Allotted, called-up and fully paid</b>		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

**9. RESERVES**

	Profit and loss account £
At 1 January 2003	782,351
Retained profit for the year	269,965
At 31 December 2003	<u>1,052,316</u>

**10. 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.