

**BHS LEASING (1993) LIMITED**

**(Registered No. 1521055)**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2008**

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## **BHS LEASING (1993) 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. Review of the business and principal activities**

##### **Principal activity**

The principal activity of the Company was the leasing of assets to Group companies.

##### **Results and dividends**

The profit for the year, after taxation, amounted to £2,481,000 (2007 – £3,510,000).

No dividend was declared and paid in 2008 (2007 – £nil).

##### **Review of the business**

The company did not trade during the current or preceding year.

#### **2. Conversion to International Financial Reporting Standards**

The ultimate parent undertaking, The British United Provident Association Limited (Bupa), has prepared Group accounts in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS). The Company is not required to report under IFRS and therefore these accounts are prepared in accordance with applicable UK accounting standards.

#### **3. Directors**

Details of the present directors and any other persons who served as a director during the year and subsequently are set out below:

N T Beazley	
J P Davies	(resigned 23 May 2008)
M Ellerby	
R King	(resigned 15 May 2008)
N R Taylor	(resigned 1 January 2009)
F D Gregory	
S P Reiter	(appointed 1 January 2009)
M A Merchant	(appointed 23 May 2008)

#### **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. Employees and remuneration**

Details of the number of persons employed and gross remuneration are contained in note 3 to the financial statements.

#### **6. Disclosure of information to auditors**

The directors who held office at the date of approval 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 he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**BHS LEASING (1993) LIMITED**

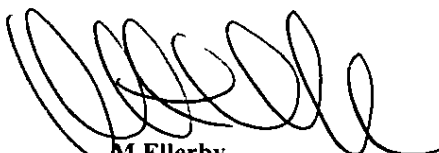
**REPORT OF THE DIRECTORS**  
**for the year ended 31 December 2008**

**7. 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:  
Bridge House  
Outwood Lane  
Horsforth  
Leeds  
LS18 4UP

By Order of the Board



M Ellerby  
Director

13 March 2009

## **BHS LEASING (1993) LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND 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 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 AUDITORS' REPORT TO THE MEMBERS OF BHS LEASING (1993) LIMITED

We have audited the financial statements of BHS Leasing (1993) Limited for the ended 31 December 2008 which comprises the profit and loss account, the balance sheet 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.

### 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 profit 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**

*Chartered Accountants*

*Registered Auditor*

13 March 2009

1 The Embankment

Neville Street

Leeds LS1 4DW

**BHS LEASING (1993) LIMITED**

**PROFIT AND LOSS ACCOUNT**  
**for the year ended 31 December 2008**

	<b>Note</b>	<b>2008</b> <b>£'000</b>	<b>2007</b> <b>£'000</b>
Interest receivable and similar income	4	6,610	5,540
Interest payable and similar charges	5	<u>(5,190)</u>	<u>(526)</u>
<b>Profit on ordinary activities before taxation</b>	6	1,420	5,014
Tax on profit on ordinary activities	7	<u>1,061</u>	<u>(1,504)</u>
<b>Profit for the financial year</b>		<u><b>2,481</b></u>	<u><b>3,510</b></u>

There were no recognised gains and losses other than the profit 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.

**BHS LEASING (1993) LIMITED****BALANCE SHEET**  
**as at 31 December 2008**

	Note	2008 £'000	2007 £'000
<b>Current assets</b>			
Debtors: amounts due within one year	8	1,072	265
Debtors: amounts due after one year	8	108,713	103,353
		109,785	103,618
<b>Creditors: amounts falling due within one year</b>	9	(88,374)	(84,688)
<b>Net assets</b>		<u>21,411</u>	<u>18,930</u>
<b>Capital and reserves</b>			
Called up share capital	10	-	-
Profit and loss account	11	<u>21,411</u>	<u>18,930</u>
<b>Shareholders' funds</b>		<u>21,411</u>	<u>18,930</u>

These financial statements were approved by the Board of Directors on 13 March 2009 and were signed on its behalf by:



**S P Reiter**  
**Director**

The accounting policies and notes on pages 7 to 10 form part of these financial statements.

## **BHS LEASING (1993) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2008**

#### **1. STATEMENT OF ACCOUNTING POLICIES**

##### **(a) Basis of preparation**

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

As the Company is a wholly owned subsidiary undertaking of Bupa, a Company registered in England and Wales and 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.

##### **Accounting conventions**

A summary of the more significant accounting policies, which have been applied consistently, is set out below.

##### **(b) Cash flow statement**

Under Financial Reporting Statement 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 Bupa, 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 taxation.

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 exception:

- 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.

#### **2. IMMEDIATE AND ULTIMATE PARENT UNDERTAKING**

The immediate parent undertaking of the Company is Bupa Investments Limited, a Company registered in England and Wales.

The ultimate parent undertaking of the Company is Bupa, a Company registered in England and Wales in whose accounts these financial statements are consolidated. The smallest group in which these accounts are consolidated is that headed by Bupa Finance Plc, a Company registered in England and Wales. Copies of the accounts of Bupa and Bupa Finance Plc can be obtained from The Registrar of Companies, Cardiff, CF14 3UZ.

#### **3. STAFF COSTS AND DIRECTORS' REMUNERATION**

The emoluments of the directors are borne entirely by other Group companies and are disclosed in the financial statements of those companies. The Company had no other employee costs during the current or preceding year.



**BHS LEASING (1993) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2008****4. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2008</b> <b>£'000</b>	<b>2007</b> <b>£'000</b>
Group undertakings	<u>6,610</u>	<u>5,540</u>

**5. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2008</b> <b>£'000</b>	<b>2007</b> <b>£'000</b>
Group undertakings	<u>5,190</u>	<u>526</u>

**6. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

Profit on ordinary activities before taxation is stated after charging:

	<b>2008</b> <b>£'000</b>	<b>2007</b> <b>£'000</b>
Fees for the audit of the Company	<u>3</u>	<u>3</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.

**7. TAX ON PROFIT ON ORDINARY ACTIVITIES****(i) Analysis of tax (credit)/charge in the year**

	<b>2008</b> <b>£'000</b>	<b>2007</b> <b>£'000</b>
<b>Current tax:</b>		
UK Corporation tax on profits for the year	405	1,504
Adjustments in respect of prior periods	<u>(1,466)</u>	<u>-</u>
Tax on profit on ordinary activities	<u>(1,061)</u>	<u>1,504</u>

**BHS LEASING (1993) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2008****7. TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)****(ii) Factors affecting the tax (credit)/charge**

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

	2008 £'000	2007 £'000
Profit on ordinary activities before tax	<u>1,420</u>	<u>5,014</u>
Tax charge on profit on ordinary activities at 28.5% (2007 – 30%)	405	1,504
Effects of:		
Adjustments in respect of prior periods	<u>(1,466)</u>	<u>-</u>
Total current tax (credit)/charge for year	<u>(1,061)</u>	<u>1,504</u>

**8. DEBTORS**

	2008 £'000	2007 £'000
<b>Amounts falling due within one year:</b>		
Amounts owed by Group undertakings	1,072	254
Other debtors	<u>-</u>	<u>11</u>
	<u>1,072</u>	<u>265</u>

**Amounts falling due after more than one year:**

	2008 £'000	2007 £'000
Amounts owed by Group undertakings	<u>108,713</u>	<u>103,353</u>

**9. CREDITORS – amounts falling due within one year**

	2008 £'000	2007 £'000
Amounts owed to Group undertakings	<u>88,374</u>	<u>84,688</u>

**BHS LEASING (1993) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2008****10. SHARE CAPITAL**

	2008 £	2007 £
<b>Authorised</b>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
<b>Allotted, called-up and fully paid</b>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

**11. RESERVES**

Profit and loss account	£'000
At 1 January 2008	18,930
Profit for the financial year	<u>2,481</u>
At 31 December 2008	<u>21,411</u>

**12 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2008 £'000	2007 £'000
<b>Profit for the financial year and addition to shareholders' funds</b>	2,481	3,510
Opening shareholders' funds	<u>18,930</u>	<u>15,420</u>
<b>Closing shareholders' funds</b>	<u>21,411</u>	<u>18,930</u>

**13. CONTINGENT LIABILITIES**

The Company has received a guarantee and other undertakings, as part of the Group banking arrangements in respect of the overdrafts of certain other Group undertakings.

**14. COMMITMENT**

There were no outstanding capital commitments at the end of either year.