

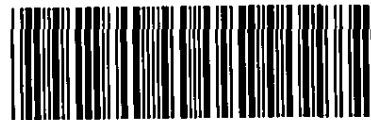
BHS Leasing (1994) Limited

(Registered No. 1584802)

Directors' Report and Financial Statements

For the Year Ended 31 December 2007

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BHS Leasing (1994) Limited

Report of the directors for the year ended 31 December 2007

The directors present their Directors' Report and the audited financial statements for the year ended 31 December 2007

1. Principal activity

The principal activity of the company is that of equipment leasing. The activity was discontinued for the year ended 31 December 2007.

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. The leasing arrangements were terminated as at 31 December 2007.

3. Results and dividends

The profit for the year, after taxation, amounted to £5,168 (2006: loss £234,690). No dividend is proposed for 2007 (2006: £nil).

4. Directors

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

N T Beazley

J P Davies

F D Gregory

Resigned 27 July 2007, Re-appointed 1 November 2007

C M Hollingsworth

Resigned 27 July 2007

B D J Kent

Resigned 1 November 2007

R King

5. 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.

6. 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.

7. International Financial Reporting Standards

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.

8. Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

BHS Leasing (1994) Limited

**Report of the directors
for the year ended 31 December 2007 - continued**

9 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 they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

Registered Office

BUPA House
15-19 Bloomsbury Way
London
WC1A 2BA

20 March 2008

By Order of the Board



For and on behalf of
BUPA Secretaries Limited
Secretary

BHS Leasing (1994) 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.

BHS Leasing (1994) Limited

Independent auditors' report to the members of BHS Leasing (1994) Limited

We have audited the financial statements of BHS Leasing (1994) Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet, Reconciliation of Movements in Shareholders' Funds and the related notes. These financial statements have been prepared under the accounting policies set out

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 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 2007 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
20 March 2008

8 Salisbury Square
London EC4Y 8BB

BHS Leasing (1994) Limited

**Profit and Loss Account
for the year ended 31 December 2007**

	<i>Note</i>	2007 £	2006 £
Operating expenses		-	(238,588)
Operating loss		-	(238,588)
Interest receivable and similar income	4	30,917	45,242
Interest payable and similar charges	5	(23,534)	(39,888)
Profit / (loss) on ordinary activities before taxation		7,383	(233,234)
Tax on profit / (loss) on ordinary activities	7	(2,215)	(1,456)
Retained profit / (loss) for the financial year		5,168	(234,690)

The operating result is all derived from discontinued operations.

There are no recognised gains and losses other than the profit for the financial year

There are no material differences between reported losses and historical profit and losses on ordinary activities before and after taxation

The accounting policies and notes on pages 8 to 11 form part of these financial statements

BHS Leasing (1994) Limited

**Balance Sheet
as at 31 December 2007**

	<i>Note</i>	2007 £	2006 £
Current assets			
Debtors due within one year	8	136,629	948,474
Cash at bank and in hand		<u>65,619</u>	<u>65,619</u>
		202,248	1,014,093
Creditors amounts falling due within one year	9	<u>(15,071)</u>	<u>(832,084)</u>
Net assets		<u>187,177</u>	<u>182,009</u>
 Capital and reserves			
Called up share capital	10	100,001	100,001
Profit and loss account	11	<u>87,176</u>	<u>82,008</u>
Equity shareholders' funds		<u>187,177</u>	<u>182,009</u>

These financial statements were approved by the Board of Directors on 20 March 2008 and were signed on its behalf by



F D Gregory
Director

The accounting policies and notes on pages 8 to 11 form part of these financial statements

BHS Leasing (1994) Limited

**Reconciliation of movements in shareholders' funds
for the year ended 31 December 2007**

	2007 £	2006 £
Retained profit / (loss) for the financial year	5,168	(234,690)
Net increase / (reduction) to shareholders' funds	5,168	(234,690)
Opening shareholders' funds	182,009	416,699
Closing shareholders' funds	187,177	182,009

BHS Leasing (1994) Limited

Notes to the financial statements for the year ended 31 December 2007

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 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.

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.

Accounting conventions

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

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 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

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.

BHS Leasing (1994) Limited

Notes to the financial statements for the year ended 31 December 2007

2. Immediate and ultimate parent undertakings

The immediate parent undertaking of BHS Leasing (1994) Limited is BHS (Holdings) 2006 Limited, a company registered in England and Wales

The largest group in which the results of the company are consolidated is that headed by The British Provident Association Limited (BUPA), which is registered in England and Wales. The smallest group in which they are consolidated is that headed by BUPA Finance PLC, which is registered in England and Wales. No other group financial statements include the results of the company. The consolidated financial statements of these groups are available to the public from The Registrar of Companies, Cardiff, CF14 3UZ.

3. Staff costs and directors' remuneration

The company had no employees during the year (2006: nil) and consequently incurred no staff costs. No remuneration was paid to any of the directors for the year (2006: £ nil).

4. Interest receivable and similar income

	2007 £	2006 £
Amounts receivable from Group undertakings	<u>30,917</u>	<u>45,242</u>

5. Interest payable and similar charges

	2007 £	2006 £
Amounts payable to Group undertakings	<u>23,534</u>	<u>39,888</u>

6. Auditors' remuneration

	2007 £	2006 £
Fees for the audit of the company	<u>1,079</u>	<u>995</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.

BHS Leasing (1994) Limited

**Notes to the financial statements
for the year ended 31 December 2007**

7. Tax on profit / (loss) on ordinary activities

(i) Analysis of tax charge in the year

	2007 £	2006 £
Current tax		
UK corporation tax on profit / (loss) for the year	<u>2,215</u>	<u>1,456</u>

(ii) Factors affecting the tax charge / (credit)

The tax assessed for the period is equal to (2006 higher) the standard rate of corporation tax in the UK of 30% (2006 30%) The 2006 difference is explained below

	2007 £	2006 £
Profit /(loss) on ordinary activities before taxation	<u>7,383</u>	<u>(233,234)</u>
Tax charge / (credit) on loss on ordinary activities at 30% (2006 30%)	2,215	(69,970)
Effects of Group relief not paid for	-	71,426
Total current tax charge for the year	<u>2,215</u>	<u>1,456</u>

8. Debtors

	2007 £	2006 £
Amounts falling due within one year:		
Amounts owed by Group undertakings	<u>136,629</u>	<u>948,474</u>

9. Creditors - amounts falling due within one year:

	2007 £	2006 £
Amounts owed to Group undertakings	14,571	830,128
Taxation	-	1,456
Accruals and deferred income	<u>500</u>	<u>500</u>
	<u>15,071</u>	<u>832,084</u>

BHS Leasing (1994) Limited

Notes to the financial statements for the year ended 31 December 2007

10. Share capital

	2007 £	2006 £
Authorised		
100,001 ordinary shares of £1 each	<u>100,001</u>	<u>100,001</u>
Allotted, called-up and fully paid		
100,001 ordinary shares of £1 each	<u>100,001</u>	<u>100,001</u>

11 Reserves

	Profit and loss account £
At 1 January 2007	82,008
Retained profit	<u>5,168</u>
At 31 December 2007	<u>87,176</u>

12. Contingent liabilities

The company has given a guarantee and other undertakings, as part of the Group banking arrangements, in respect of the overdraft and loans of certain other Group undertakings

13. Securitisation

The company previously granted first fixed and first floating ranking security over all the property, undertaking and assets of the company as part of the corporate securitisation that took place in July 2002. The first fixed and first floating ranking security were released in October 2007, following the termination of the securitisation as a result of the repayment of the secured debt by the company's parent company.