

BUPA BUILDING SERVICES LIMITED

Registered No. 2317091

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2006

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BUPA BUILDING SERVICES LIMITED

REPORT OF THE DIRECTORS **for the year ended 31 December 2006**

The directors present their directors' report and the audited financial statements for the year ended 31 December 2006

1 Principal activity

The principal activity of the company during the year was to provide short-term property leases on behalf of BUPA group. During the year the company entered into operating lease obligations. All obligations arising from these have been and will continue to be met by other companies within the BUPA group.

2. Business Review

The company continued to trade well in 2006. 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 result for the year, after taxation, amounted to £nil (2005 - £nil). No dividend is proposed for 2006 (2005 - £nil).

4. Directors and directors' interests

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

J P Davies
R King
M A Ralf
N T Beazley
B D J Kent

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

5 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.

6 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 certain 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.

7 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 ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

8. 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.

Registered Office

BUPA House
15 - 19 Bloomsbury Way
London
WC1A 2BA

8 March 2007

By Order of the Board



For and on behalf of BUPA Secretaries Limited
Secretary

BUPA BUILDING SERVICES 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 the directors 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.

BUPA BUILDING SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUPA BUILDING SERVICES LIMITED

We have audited the financial statements of BUPA Building Services Limited for the year ended 31 December 2006 which comprise 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 2.

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 2006 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

KPMG Audit Plc
Chartered Accountants
Registered Auditors

8 Salisbury Square
London EC4Y 8BB

8 March 2007

BUPA BUILDING SERVICES LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2006

	2006 £	2005 £
Turnover	1,206,605	267,168
Less Operating expenses	(1,206,605)	(267,168)
Profit for the financial year	<u>-</u>	<u>-</u>

The operating profit is derived from continuing operations

There were no recognised gains and losses for the year

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

The accounting policies and notes on pages 6 to 8 form part of these financial statements

BUPA BUILDING SERVICES LIMITED**BALANCE SHEET****As at 31 December 2006**

	<i>Note</i>	2006 £	2005 £
Current assets			
Debtors amounts falling due within one year	4	1,473,773	-
Cash at bank and in hand		<u>25,810</u>	<u>25,810</u>
		1,499,583	25,810
Creditors amounts falling due within one year	5	<u>(1,507,799)</u>	<u>(34,026)</u>
Net liabilities		<u>(8,216)</u>	<u>(8,216)</u>
Capital and reserves			
Called up share capital	7	2	2
Profit and loss account		<u>(8,218)</u>	<u>(8,218)</u>
Equity shareholders' funds		<u>(8,216)</u>	<u>(8,216)</u>

These financial statements were approved by the Board of Directors on 8 March 2007 and were signed on its behalf by



B D J Kent
Director

The accounting policies and notes on pages 6 to 8 form part of these financial statements

BUPA BUILDING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2006

1 STATEMENT OF ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with applicable UK accounting standards under the historical cost accounting rules, and on a going concern basis in view of the letter of support from BUPA Investments Limited, which undertakes to provide such support as is necessary to enable the company to meet its liabilities as they fall due

As the company is a wholly owned subsidiary undertaking of The British United Provident Association Limited (BUPA), which is registered in England and Wales, it has taken advantage of the exemption contained in Financial Reporting Standard No 8 "Related Party Disclosure" (FRS8) and has therefore not disclosed separately transactions or balances with entities which form part of the BUPA group of companies

(b) Going concern

In view of the letter of support from BUPA Investments Limited, the accounts have been prepared on a going concern basis

(c) Turnover

Turnover, represents amounts invoiced in relation to services provided. Turnover is stated net of value added tax

(d) 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 BUPA, a company that prepares a consolidated cashflow statement for the BUPA Group

(e) 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 charges 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

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

BUPA BUILDING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2006 - continued

STATEMENT OF ACCOUNTING POLICIES - continued

(f) Estimation techniques

The preparation of the accounts, as permitted by generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the accounts and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(g) Related party transactions

No director had any material interest in any contracts with Group companies at the end of 2006 or at any time during the year.

2 AUDITORS' REMUNERATION

	2006 £	2005 £
Fees for the audit of the company	<u>4,370</u>	<u>3,920</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. The 2005 disclosure has been restated using a consistent basis.

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.

3. STAFF COSTS AND DIRECTORS REMUNERATION

The company had no employees during the year (2005 nil) and consequently incurred no staff costs (2005 nil). No remuneration was paid to any of the directors for the year (2005 nil).

4 DEBTORS

	2006 £	2005 £
Amounts falling due within one year .		
Amounts owed by Group undertakings	<u>1,473,773</u>	<u>-</u>
	<u>1,473,773</u>	<u>-</u>

5. CREDITORS

	2006 £	2005 £
Amounts falling due within one year .		
Amounts owed to Group undertakings	<u>1,507,799</u>	<u>34,026</u>
	<u>1,507,799</u>	<u>34,026</u>

BUPA BUILDING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2006

6 COMMITMENTS

Operating leases

Annual commitments under non-cancellable operating leases are as follows

	2006 Land and buildings £	2005 Land and buildings £
Operating leases which expire		
Within one year	38,902	10,960
Between one and five years	<u>3,618,280</u>	<u>3,256,759</u>
	<u>3,657,182</u>	<u>3,267,719</u>

The leases are short-term with an annual market rent payable and are therefore of a revenue rather than a capital nature

7 SHARE CAPITAL

	2006 £	2005 £
Authorised		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called-up and fully paid		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

8 CONTINGENT LIABILITIES

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

9 ULTIMATE PARENT COMPANY

The company is a subsidiary undertaking of BUPA Limited which is registered in England and Wales

The largest group in which the results of the Company are consolidated is that headed by The British United 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, incorporated in England and Wales. The consolidated financial statements of these groups are available to the public and may be obtained from The Registrar of Companies, Cardiff, CF14 3UZ