

**Bupa Building Services Limited**

**(Registered No. 2317091)**

**Directors' Report and Financial Statements**

**For the Year Ended 31 December 2008**

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# **Bupa Building Services Limited**

## **Report of the Directors for the year ended 31 December 2008**

The directors present their directors' report and the audited financial statements for the year ended 31 December 2008.

### **1. Principal activity**

The principal activity of the company during the year was to provide short-term property leases on behalf of the 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 directors consider the development of the company during the year to be in line with plan for the year, and do not foresee any significant changes in the forthcoming year.

### **3. Results and dividends**

The loss for the year, before taxation, amounted to £47,176 (2007 loss: £6,245). No dividend is proposed for 2008 (2007: £nil).

### **4. Directors**

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

J P Davies	Resigned 23 May 2008
R King	Resigned 15 May 2008
M A Ralf	
N T Beazley	
F D Gregory	
M A Merchant	Appointed 23 May 2008

### **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 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.

### **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. 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.

Registered Office :

Bupa House  
15 - 19 Bloomsbury Way  
London  
WC1A 2BA

20 March 2009

By Order of the Board



For and on behalf of  
Bupa Secretaries Limited  
Secretary

**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.

## **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 2008 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 state of the company's affairs as at 31 December 2008 and of its loss 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 Auditors

8 Salisbury Square  
London EC4Y 8BB

20 March 2009

**Bupa Building Services Limited**

**Profit and Loss Account  
for the year ended 31 December 2008**

	<i>Note</i>	2008 £	2007 £
Turnover		1,117,441	1,267,582
Operating costs		<u>(1,117,441)</u>	<u>(1,267,582)</u>
<b>Operating result</b>		-	-
Interest receivable and similar income	5	145,234	57,892
Interest payable and similar charges	6	<u>(192,410)</u>	<u>(64,137)</u>
<b>Loss on ordinary activities before taxation</b>	4	(47,176)	(6,245)
Tax credit on loss on ordinary activities	7	<u>13,444</u>	<u>1,873</u>
<b>Loss for the financial year</b>		<u><u>(33,732)</u></u>	<u><u>(4,372)</u></u>

The operating result is derived from continuing operations.

There were no recognised gains or losses other than the loss for the financial year of £33,732 (2007 loss: £4,372)

The accounting policies and notes on pages 6 to 9 form part of these financial statements.

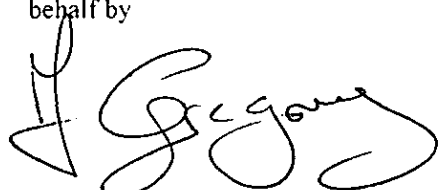
# Bupa Building Services Limited

## Balance Sheet

As at 31 December 2008

	Note	2008 £	2007 £
<b>Current assets</b>			
Debtors : amounts falling due within one year	8	3,611,178	2,335,059
Cash at bank and in hand		<u>491,870</u>	<u>491,870</u>
		4,103,048	2,826,929
<b>Creditors: amounts falling due within one year</b>	9	<u>(4,149,368)</u>	<u>(2,839,517)</u>
<b>Net liabilities</b>		<u>(46,320)</u>	<u>(12,588)</u>
<b>Capital and reserves</b>			
Called up share capital	11	2	2
Profit and loss account	12	<u>(46,322)</u>	<u>(12,590)</u>
<b>Equity shareholders' funds</b>		<u>(46,320)</u>	<u>(12,588)</u>

These financial statements were approved by the Board of Directors on 20 March 2009 and were signed on its behalf by



F D Gregory  
Director

The accounting policies and notes on pages 6 to 9 form part of these financial statements.

**Notes to the Financial Statements  
for the year ended 31 December 2008**

**1. 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 Finance plc, 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) Turnover**

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

**(c) 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.

**(d) 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 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.

**(e) 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.

# Bupa Building Services Limited

## Notes to the Financial Statements for the year ended 31 December 2008 - continued

### 2. Auditors' Remuneration

	2008 £	2007 £
Fees for the audit of the company	<u>6,541</u>	<u>4,738</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.

### 3. Staff costs and directors' remuneration

The company had no employees during the year (2007: nil) and consequently incurred no staff costs (2007: £nil). No remuneration was paid to any of the directors for the year (2007: £nil).

### 4. Loss on ordinary activities after taxation

	2008 £	2007 £
<i>Loss on ordinary activities is stated after crediting:</i>		
Rental income	<u>(1,117,441)</u>	<u>(1,117,441)</u>

### 5. Interest receivable and similar income

	2008 £	2007 £
Receivable from Group undertakings	<u>145,234</u>	<u>57,892</u>

### 6. Interest payable and similar expense

	2008 £	2007 £
Payable to Group undertakings	<u>192,410</u>	<u>64,137</u>

### 7. Tax on Loss on ordinary activities

#### (i) Analysis of credit

	2008 £	2007 £
<i>Current tax</i>		
UK corporation tax on loss of the year	<u>(13,444)</u>	<u>(1,873)</u>

#### (ii) Factors affecting the tax credit

The tax credit for the period is equal (2007: equal) to the 2008 rate of corporation tax in the UK of 28.5% (2007: 30%). The tax credit is explained below:

	2008 £	2007 £
Loss on ordinary activities before tax	<u>(47,176)</u>	<u>(6,245)</u>
Tax credit on loss on ordinary activities at 28.5% (2007: 30%)	<u>(13,444)</u>	<u>(1,873)</u>



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

**8. Debtors**

	2008 £	2007 £
Amounts falling due within one year :		
Amounts owed by Group undertakings	<u>3,611,178</u>	<u>2,335,059</u>

**9. Creditors**

	2008 £	2007 £
Amounts falling due within one year :		
Amounts owed to Group undertakings	<u>4,149,368</u>	<u>2,839,517</u>

**10. Operating lease commitments**

	2008 Land and buildings £	2007 Land and buildings £
Operating leases that expire :		
Within one year	15,498	15,498
Between one and five years	<u>1,008,171</u>	<u>985,042</u>
	<u>1,023,669</u>	<u>1,000,540</u>

The leases are short-term with an annual market rent payable and are therefore of a revenue rather than a capital nature. These are annual commitments for each of the years.

**11. Share capital**

	2008 £	2007 £
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>

**12. Reserves**

	Profit and loss account £
At 1 January 2008	(12,590)
Loss for the financial year	(33,732)
At 31 December 2008	<u>(46,322)</u>

**13. Guarantees & other financial commitments**

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.

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

**14. Immediate and ultimate parent undertakings**

The immediate parent undertaking is Bupa Limited, which is registered in England and Wales.

The ultimate parent undertaking and 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, 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.