

AMENDING

BUPA BUILDING SERVICES LIMITED

(Registered No. 2317091)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2003



BUPA BUILDING SERVICES 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. Review of the business

During the year the company entered into operating lease obligations and a building contract. All obligations arising from these have been and will continue to be met by other companies within the BUPA group.

2. Results and dividends

The loss for the year, after taxation, amounted to £nil (2002 - £nil). No dividend is proposed for 2003 (2002 - £nil).

3. Directors and directors' interests

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

J P Davies
M I Dugdale
R King
M A Ralf
A D Walford

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

4. Auditors

During the year KPMG Audit Plc were appointed as auditors of the company. The appointment of KPMG Audit Plc will be ratified at the forthcoming annual general meeting.

Registered Office :

BUPA House
15 - 19 Bloomsbury Way
London
WC1A 2BA

26 July 2004

By Order of the Board



J P Sanders
Secretary

BUPA BUILDING SERVICES 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 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 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.

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF BUPA BUILDING SERVICES LIMITED

We have audited the financial statements 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 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 of the state of the company's affairs as at 31 December 2003 and of its result 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

27 July 2004 London

BUPA BUILDING SERVICES LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2003

During the financial year and the preceding financial year the Company did not trade and received no income and incurred no expenditure. Consequently, during those years the company made neither a profit nor a loss.

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

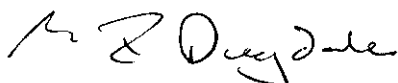
BUPA BUILDING SERVICES LIMITED

BALANCE SHEET

as at 31 December 2003

	<i>Note</i>	2003 £	2002 £
Current assets			
Cash at bank and in hand		<u>25,810</u>	<u>25,810</u>
		25,810	25,810
Creditors: amounts falling due within one year	4	(34,026)	(34,026)
Net liabilities		<u>(8,216)</u>	<u>(8,216)</u>
Capital and reserves			
Called up share capital	6	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 26 July 2004 and were signed on its behalf by



M I Dugdale
Director

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

BUPA BUILDING SERVICES 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 cost accounting rules. In view of the letter of support from BUPA Investments Limited, the accounts have been prepared on a going concern basis.

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) 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.

(c) Turnover

Turnover represents the aggregate rentals receivable in respect of operating leases on commercial properties. Turnover is stated net of VAT and other sales related taxes. All turnover arises in the United Kingdom.

(d) Fixed assets and depreciation

Leasehold properties are stated at current value and other tangible assets are stated at cost. Assets are depreciated so as to write off the cost or valuation by equal instalments over their estimated economic lives, as follows :

Leasehold Property	- term of the lease
Fixtures, fittings & equipment	- 10 years

BUPA BUILDING SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2003 - continued

(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.

(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 2003 or at any time during the year.

BUPA BUILDING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS **for the year ended 31 December 2003 - continued**

2. ULTIMATE HOLDING COMPANY

The company is a wholly owned subsidiary of BUPA Limited which is registered in England and Wales.

The ultimate holding company is The British United Provident Association Limited (BUPA), which is registered in England and Wales, in whose accounts these financial statements are consolidated. A copy of BUPA's consolidated financial statements is available to the public from The Registrar of Companies, Cardiff, CF4 3UZ.

3. STAFF COSTS AND DIRECTORS REMUNERATION

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. CREDITORS

	2003	2002
	£	£
Amounts falling due within one year :		
Amounts owed to Group undertakings	34,026	34,026
	<u>34,026</u>	<u>34,026</u>

5. COMMITMENTS

Operating leases

Annual commitments under non-cancellable operating leases are as follows :

	2003	2002
	Land and buildings	Land and buildings
	£	£
Operating leases which expire		
Within one year	16,900	-
Between one and five years	-	-
After five years	-	-
	<u>16,900</u>	<u>-</u>

BUPA BUILDING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2003 - continued

6. SHARE CAPITAL

	2003 £	2002 £
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>

7. 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.