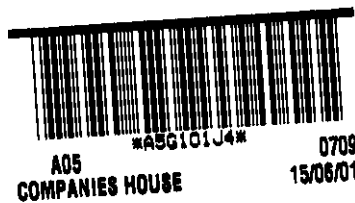


BUPA POWER & LEASING LIMITED

(Registered No. 2507866)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2000



BUPA POWER & LEASING LIMITED

REPORT OF THE DIRECTORS for the year ended 31 December 2000

The Directors present their annual report and the audited financial statements for the year ended 31 December 2000.

1. Principal activity

The principal activity of the Company was the centralised purchasing of fuel and power on behalf of group companies. The Company was involved in leasing activities. There have been no significant changes in the activities during the year.

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.

3. Results and dividends

The profit for the year, after taxation, amounted to £950,507 (1999 - profit £920,695). No dividend is proposed for 2000 (1999 - £ nil).

4. Directors and directors' interests

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

E W Lea	(Chairman)
J P Davies	
D A Holden	
A D Walford	

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

5. Auditors

An elective resolution not to re-appoint auditors annually is in effect pursuant to S386 of the Companies Act 1985. Accordingly, KPMG Audit Plc will continue in office as auditors of the Company.

Registered Office :

BUPA House
15-19 Bloomsbury Way
London
WC1A 2BA

15 March 2001

By Order of the Board



J P Sanders
Secretary

BUPA POWER & LEASING LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The following statement, which should be read in conjunction with the auditors' report set out on page 3, is made for the purpose of clarifying the respective responsibilities of the Directors and the auditors in the preparation 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 of the Company 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 are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE AUDITORS

TO THE MEMBERS OF BUPA POWER & LEASING LIMITED

We have audited the financial statements on pages 4 to 11

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. 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 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 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

London

15 March 2001


KPMG Audit Plc
Chartered Accountants
Registered Auditor

BUPA POWER & LEASING LIMITED**PROFIT AND LOSS ACCOUNT****for the year ended 31 December 2000**

	<i>Note</i>	2000 £	1999 £
Turnover		2,435,300	2,736,318
Cost of Sales		<u>(2,591,400)</u>	<u>(2,856,534)</u>
Gross Loss		(156,100)	(120,216)
Administrative expenses		<u>(72,393)</u>	<u>(138,089)</u>
Operating Loss		(228,493)	(258,305)
Interest receivable and similar income	4	<u>1,179,000</u>	<u>1,179,000</u>
Profit on ordinary activities			
before taxation	5	950,507	920,695
Tax on profit on ordinary activities	6	-	-
Retained profit for the financial year		<u>950,507</u>	<u>920,695</u>

The operating loss is all derived from continuing operations.

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

BUPA POWER & LEASING LIMITED

BALANCE SHEET

as at 31 December 2000

	Note	2000 £	1999 £
Fixed assets			
Tangible assets	7	16,180	16,582
Current assets			
Debtors : amounts falling due:			
within one year	8	1,201,654	368,770
after more than one year	8	46,200,000	46,200,000
		47,401,654	46,568,770
Cash at bank and in hand		2,440	35,912
		47,404,094	46,604,682
Creditors : amounts falling due within one year	9	(43,121,000)	(43,272,497)
Net current assets		4,283,094	3,332,185
Total assets less current liabilities		4,299,274	3,348,767
Net assets		4,299,274	3,348,767
Capital and reserves			
Called up share capital	10	2	2
Profit and loss account	11	4,299,272	3,348,765
Equity shareholders' funds		4,299,274	3,348,767

These financial statements were approved by the Board of Directors on 15 March 2001 and were signed on its behalf by

D A Holden



Director

The accounting policies and notes on pages 7 to 11 form part of these Financial Statements.

BUPA POWER & LEASING LIMITED**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**
for the year ended 31 December 2000

	2000 £	1999 £
Profit for the financial year	<u>950,507</u>	<u>920,695</u>
Net addition to shareholders' funds	950,507	920,695
Opening shareholders' funds	3,348,767	2,428,072
Closing shareholders' funds	<u><u>4,299,274</u></u>	<u><u>3,348,767</u></u>

BUPA POWER & LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2000

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 of The British United Provident Association Limited (BUPA), it has taken advantage of the exemption contained in Financial Reporting Standard 8 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 1 (Revised 1996) to prepare a cash flow statement as it is a wholly-owned subsidiary undertaking of BUPA, and its cash flows are included within the consolidated cash flow statement of that company.

(c) Turnover

Turnover represents the total amount earned by the company in the ordinary course of business with other group undertakings for goods supplied and services rendered after deducting trade discounts and value added tax, where applicable. All turnover arises within the United Kingdom.

(d) Fixed assets and depreciation

Fixed assets are stated at cost. Assets are depreciated so as to write off the cost by equal instalments over their estimated economic lives, as follows:

Equipment - 5 - 50 years

(e) Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred due to timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred taxation only to the extent that it is probable that a liability will crystallise. No payment is made for group relief claimed or surrendered.

(f) Operating leases

Operating lease rentals are charged to the profit and loss account in the period in which they are incurred. Revenue is recognised on an accruals basis.

BUPA POWER & LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS **for the year ended 31 December 2000 - continued**

2. ULTIMATE HOLDING COMPANY

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

The ultimate holding company is The British United Provident Association Limited (BUPA), in whose accounts these financial statements are consolidated. A copy of BUPA's consolidated financial statements are 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 (1999 : nil) and consequently incurred no staff costs.

No remuneration was paid to any of the directors for the year (1999 : £ nil).

4. INTEREST RECEIVABLE AND SIMILAR INCOME	2000	1999
	£	£
Receivable from Group undertakings	<u>1,179,000</u>	<u>1,179,000</u>

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2000	1999
	£	£
<i>Profit on ordinary activities is stated after charging/(crediting):</i>		
Depreciation	402	402
Auditors' remuneration	1,920	2,213
Rentals receivable under operating leases	<u>-</u>	<u>(44,697)</u>

BUPA POWER & LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS **for the year ended 31 December 2000 - continued**

6. TAXATION

2000	1999
£	£

The taxation charge is based on the result for the year :

UK corporation tax at 30% (1999 : 30.25%)

-	-
<u>-</u>	<u>-</u>

The current year UK corporation tax charge has been eliminated due to surrender of group relief from a related party, for which no payment has been made. The current year UK corporation tax charge would otherwise have amounted to £210,808.

7. TANGIBLE FIXED ASSETS

Equipment

Cost	£
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At 1 January 2000	<u>221,178</u>
At 31 December 2000	<u>221,178</u>

Depreciation

At 1 January 2000	204,596
Charge for the year	<u>402</u>
At 31 December 2000	<u>204,998</u>

Net Book Value

At 31 December 2000	<u>16,180</u>
At 31 December 1999	<u>16,582</u>

Depreciable amount at 31 December 2000

<u>221,178</u>

Depreciable amount at 31
December 1999

<u>221,178</u>

BUPA POWER & LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS **for the year ended 31 December 2000 - continued**

8. DEBTORS	2000	1999
	£	£
Amounts falling due within one year :		
Amounts owed by Group undertakings	781,587	100,000
Other debtors	198,888	47,864
Prepayments and accrued income	221,179	220,906
	<u>1,201,654</u>	<u>368,770</u>

	2000	1999
	£	£
Amounts falling due after more than one year :		
Amounts owed by Group undertakings	<u>46,200,000</u>	<u>46,200,000</u>

9. CREDITORS	2000	1999
	£	£
Amounts falling due within one year :		
Payments received on account	13,192,301	15,006,166
Amounts owed to Group undertakings	29,744,355	28,021,843
Other creditors including taxation	-	6,467
Accruals and deferred income	184,344	238,021
	<u>43,121,000</u>	<u>43,272,497</u>

Payments received on account represent prepayments for services to be rendered to Group undertakings.

10. SHARE CAPITAL	2000	1999
	£	£
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>

BUPA POWER & LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS **for the year ended 31 December 2000 - continued**

11. RESERVES

	Profit and loss account £
At 1 January 2000	3,348,765
Retained profit	950,507
	<hr/>
At 31 December 2000	<u>4,299,272</u>

12. PROVISIONS FOR LIABILITIES AND CHARGES

The amounts provided for deferred taxation and the amounts not provided are set out below :

	Provided		Not provided	
	2000	1999	2000	1999
	£	£	£	£
Accelerated capital allowances	-	-	(218,540)	(292,884)
Other timing differences	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	(218,540)	(292,884)

13. 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.