

BUPA Power & Leasing Limited

(Registered No. 2507866)

Directors' Report and Financial Statements

For the Year Ended 31 December 2007

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BUPA Power & Leasing 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 was the centralised purchasing of fuel and power on behalf of other Group companies. The activity was discontinued for the year ended 31 December 2007

2. Review of the business

The company ceased trading at the end of May 2007 following which the company was sold to BHS (Holdings) 2006 Limited

3. Results and dividends

The loss for the year, after taxation amounted to £69,613 (2006 profit £151,254). An ordinary dividend of £1 per share totalling £333,764 was paid in 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

BUPA Power & Leasing 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

Registered Office

BUPA House
15-19 Bloomsbury Way
London
WC1A 2BA

22 May 2008

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 Power & Leasing Limited

Independent auditors' report to the members of BUPA Power & Leasing Limited

We have audited the financial statements of BUPA Power & Leasing Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Movements in Shareholders' Funds 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 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 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

KPMG Audit Plc

Chartered Accountants

Registered Auditor

22 May 2008

8 Salisbury Square
London EC4Y 8BB

BUPA Power & Leasing Limited

**Profit and loss account
for the year ended 31 December 2007**

	<i>Note</i>	2007 £	2006 £
Turnover		1,594,229	3,757,448
Operating expenses		<u>(1,616,413)</u>	<u>(3,757,948)</u>
Operating loss		(22,184)	(500)
Interest receivable and similar income	4	445,593	694,832
Interest payable and similar charges	5	<u>(520,016)</u>	<u>(478,091)</u>
(Loss) / profit on ordinary activities before taxation		(96,607)	216,241
Tax on (loss)/profit on ordinary activities	7	<u>26,994</u>	<u>(64,987)</u>
(Loss) / profit on ordinary activities after taxation		<u>(69,613)</u>	<u>151,254</u>

The operating loss is derived from discontinued operations

There were no recognised gains and losses other than the loss 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

The accounting policies and notes on pages 8 to 13 form part of these financial statements

BUPA Power & Leasing Limited**Balance sheet****as at 31 December 2007**

	<i>Note</i>	2007 £	2006 £
Current assets			
Debtors amounts falling due			
within one year	9	1,970,461	159,173
after more than one year	9	27,831	15,346,119
		1,998,292	15,505,292
Creditors amounts falling due within one year	10	(969,471)	(14,073,094)
Net assets		<u>1,028,821</u>	<u>1,432,198</u>
Capital and reserves			
Called up share capital	12	2	2
Profit and loss account	13	<u>1,028,819</u>	<u>1,432,196</u>
Equity shareholders' funds		<u>1,028,821</u>	<u>1,432,198</u>

These financial statements were approved by the Board of Directors on 22 May 2008 and were signed on its behalf by



F D Gregory
Director

The accounting policies and notes on pages 8 to 13 form part of these financial statements

BUPA Power & Leasing Limited**Reconciliation of movements in shareholders' funds
for the year ended 31 December 2007**

	2007 £	2006 £
(Loss) / profit for the financial year	(69,613)	151,254
Dividends paid	(333,764)	-
Net (reduction) / addition to shareholders' funds	<u>(403,377)</u>	<u>151,254</u>
Opening shareholders' funds	1,432,198	1,280,944
Closing shareholders' funds	<u>1,028,821</u>	<u>1,432,198</u>

BUPA Power & Leasing 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, 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

All accounting policies have been applied consistently during the year

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

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 - 10 years

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 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 Power & Leasing Limited

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

2. Immediate and ultimate parent undertakings

The immediate parent undertaking of BUPA Power & Leasing Limited is BHS (Holdings) 2006 Limited, a

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 £
Receivable from Group undertakings	<u>445,593</u>	<u>694,832</u>

5. Interest payable and similar charges

	2007 £	2006 £
Payable to Group undertakings	<u>520,016</u>	<u>478,091</u>

BUPA Power & Leasing Limited

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

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.

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

(i) Analysis of tax (credit) / charge for the year

	2007 £	2006 £
Current tax		
UK corporation tax on (loss) / profit for the year	(38,922)	51,620
Adjustments in respect of prior periods	-	114
Total current tax	<u>(38,922)</u>	<u>51,734</u>
Deferred tax		
Origination and reversal of timing differences	9,277	13,253
Changes in tax rates	2,651	-
Tax on (loss)/profit on ordinary activities	<u>(26,994)</u>	<u>64,987</u>

(ii) Factors affecting the tax charge

The tax assessed for the year is higher (2006 lower) than the standard rate of corporation tax in the UK of 30% (2006 30%). The differences are explained below.

	2007 £	2006 £
(Loss) / profit on ordinary activities before taxation	<u>(96,607)</u>	<u>216,241</u>
Tax (credit) / charge on (loss) / profit on ordinary activities at 30%	(28,982)	64,872
Effects of		
Capital allowances for the year in excess of depreciation	-	(13,253)
Accelerated capital allowances	(9,940)	-
Adjustments to tax charge in respect of prior periods	-	115
Total current tax (credit) / charge for the year	<u>(38,922)</u>	<u>51,734</u>

BUPA Power & Leasing Limited

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

8. Tangible assets

	Equipment
Cost	£
At 1 January and at 31 December 2007	<u>221,178</u>
Depreciation	
At 1 January and 31 December 2007	<u>221,178</u>
Net Book Value	
At 31 December 2007	<u>-</u>
At 31 December 2006	<u>-</u>

9. Debtors	2007	2006
	£	£
Amounts falling due within one year:		
Other debtors	158,620	159,173
Corporation tax	82,881	-
Amounts owed by Group undertakings	<u>1,728,960</u>	<u>-</u>
	<u>1,970,461</u>	<u>159,173</u>
	2007	2006
	£	£
Amounts falling due after more than one year:		
Amounts owed by Group undertakings	-	15,306,360
Deferred tax (see note 11)	<u>27,831</u>	<u>39,759</u>
	<u>27,831</u>	<u>15,346,119</u>

10. Creditors - amounts falling within one year:

	2007	2006
	£	£
Bank overdraft	340,074	2,001,692
Payments received on account	-	512,633
Amounts owed to Group undertakings	628,897	11,456,164
Corporation tax	-	51,621
Other creditors	-	50,484
Accruals and deferred income	<u>500</u>	<u>500</u>
	<u>969,471</u>	<u>14,073,094</u>

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

BUPA Power & Leasing Limited**Notes to the financial statements
for the year ended 31 December 2007****11. Deferred taxation**

Deferred tax assets are analysed as follows

	2007 £	2006 £
Depreciation in excess of capital allowances claimed	<u>(27,831)</u>	<u>(39,759)</u>

The movement for the year in the net deferred tax asset is as follows

	2007 £
At 1 January 2007	(39,759)
Deferred tax credit for the year	<u>11,928</u>
At 31 December 2007	<u>(27,831)</u>

The net deferred tax asset is included within debtors (see note 9)

12. Share capital

	2007 £	2006 £
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>

13. Reserves

	Profit and loss account £
At 1 January 2007	1,432,196
Retained loss	(69,613)
Dividend paid	<u>(333,764)</u>
At 31 December 2007	<u>1,028,819</u>

BUPA Power & Leasing Limited

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

14. 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

15. 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.