

**BUPA IT SERVICES LIMITED**  
**Registered No. 2625015**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

THURSDAY



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# **BUPA IT 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 company was largely inactive as the principal activity was transferred to another Bupa group company in 2005.

### **2. Business Review**

The directors do not foresee any significant changes in the forthcoming year.

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

The profit for the year, before taxation, amounted to £100,944 (2007 profit of £5,469,677).

The directors do not recommend the payment of a dividend to its ordinary shareholders. (2007: Nil)

The company paid a dividend to its preference share holders of £947 (2007: £776).

The company did not pay a dividend to its 'B' preference share holders (2007: Nil).

### **4. Directors**

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

J P Davies (resigned 23rd May 2008)

F D Gregory

M A Merchant (appointed 23rd May 2008)

R King (resigned 15th May 2008)

N T Beazley

### **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**

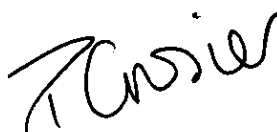
The ultimate parent undertaking has prepared Group accounts in accordance with International Financial Reporting Standards (IFRS). The company is not required to report under IFRS and therefore these accounts are prepared in accordance with applicable UK accounting standards.

Registered Office :

Bupa House  
15-19 Bloomsbury Way  
London  
WC1A 2BA

25 March 2009

By Order of the Board



For and on behalf of Bupa Secretaries Limited  
Secretary

## **BUPA IT 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 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 IT SERVICES LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUPA IT SERVICES LIMITED**

We have audited the financial statements of Bupa IT 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 judgments 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.

**BUPA IT SERVICES LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUPA IT SERVICES LIMITED - Continued**

**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 2008 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 Auditor  
25 March 2009

8 Salisbury Square  
London EC4Y 8BB

**BUPA IT SERVICES LIMITED****PROFIT AND LOSS ACCOUNT**  
**for the year ended 31 December 2008**

	<i>Note</i>	2008 £	2007 £
Operating expenses		<u>(6,729)</u>	<u>(6,109)</u>
<b>Operating loss</b>		<u>(6,729)</u>	<u>(6,109)</u>
Interest receivable and similar income	4	197,297	7,381,081
Interest payable and similar charges	5	<u>(89,624)</u>	<u>(1,905,295)</u>
<b>Profit on ordinary activities before taxation</b>		100,944	5,469,677
Tax on profit on ordinary activities	6	<u>(29,707)</u>	<u>(1,641,136)</u>
<b>Profit for the financial year</b>		<u><u>71,237</u></u>	<u><u>3,828,541</u></u>

The operating loss is derived from continuing operations.

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

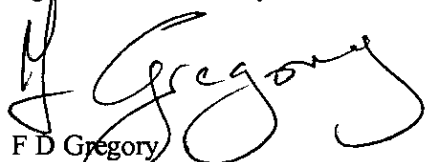
The accounting policies and notes on pages 7 to 12 form part of the Financial Statements.

**BUPA IT SERVICES LIMITED****BALANCE SHEET**

as at 31 December 2008

	<i>Note</i>	2008 £	2007 £
<b>Current assets</b>			
<b>Debtors: amounts falling due:</b>			
within one year	7	43,920,936	25,756
Cash at bank and in hand		66,865	43,825,876
		<u>43,987,801</u>	<u>43,851,632</u>
<b>Creditors: amounts falling due within one year</b>	8	<u>(1,804,246)</u>	<u>(1,739,314)</u>
<b>Net current assets</b>		42,183,555	42,112,318
<b>Creditors: amounts falling due after more than one year</b>	9	<u>(15,000)</u>	<u>(15,000)</u>
<b>Net Assets</b>		<u>42,168,555</u>	<u>42,097,318</u>
 <b>Capital and reserves</b>			
Called up share capital	11	10,100	10,100
Share premium	12	7,756,850	7,756,850
Profit and loss account	12	<u>34,401,605</u>	<u>34,330,368</u>
<b>Equity shareholder's funds</b>		<u>42,168,555</u>	<u>42,097,318</u>

These financial statements were approved by the Board of Directors on 25 March 2009 and were signed on its behalf by



F D Gregory  
Director

The accounting policies and notes on pages 7 to 12 form part of the Financial Statements.

## **BUPA IT SERVICES LIMITED**

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

#### **1. STATEMENT OF ACCOUNTING POLICIES**

**(a) Basis of preparation**

The financial statements have been prepared in accordance with UK applicable accounting standards under the historical cost accounting rules, and on a going concern basis.

**(b) Turnover**

The company reported a nil turnover for the current period under review. The company continues to receive interest.

**(c) 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.

**(d) 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 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 charged 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.

**(e) Related party transactions**

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.



## **BUPA IT SERVICES LIMITED**

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

#### **1. STATEMENT OF ACCOUNTING POLICIES - CONTINUED**

##### **(f) Classification of financial instruments issued by the company**

Following the adoption of FRS25, financial instruments issued by the company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- a) They include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company: and
- b) Where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Where a financial instrument that contains both equity and financial liability components exists, these components are separated and accounted for individually under the above policy. The finance cost on the financial liability is correspondingly higher over the life of the instrument.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

#### **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. No remuneration was paid to any of the directors for the year (2007 : £ nil).

#### **4. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2008	2007
	£	£
Interest receivable from group undertakings	<u>197,297</u>	<u>7,381,081</u>

**BUPA IT SERVICES LIMITED**

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

**5. INTEREST PAYABLE AND SIMILAR CHARGES**

	2008	2007
	£	£
Finance cost on shares classified as liabilities	1,185	776
Interest payable to group companies	88,439	1,904,519
	<u>89,624</u>	<u>1,905,295</u>

**6. TAX ON PROFIT ON ORDINARY ACTIVITIES**

**(i) Analysis of charge**

	2008	2007
	£	£
<b>Current Tax</b>		
UK corporation tax on profits for the year	29,707	1,641,136
Adjustments in respect of prior periods	-	(3,759)
Total current tax	<u>29,707</u>	<u>1,637,377</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	3,759
<b>Tax on profit on ordinary activities</b>	<u>29,707</u>	<u>1,641,136</u>

**(ii) Factors affecting the tax charge**

The tax assessed for the period is higher (2007: lower) than the standard rate of corporation tax in the UK of 28.5% (2007: 30%).  
The differences are explained below:

	2008	2007
	£	£
Profit on ordinary activities before tax	<u>100,944</u>	<u>5,469,677</u>
Tax charge on profit on ordinary activities at 28.5%	28,766	1,640,903
Effects of:		
Expenses not deductible for tax purposes	941	233
Adjustments to the tax charge in respect of prior periods	-	(3,759)
Total current tax charge for period	<u>29,707</u>	<u>1,637,377</u>

**BUPA IT SERVICES LIMITED**

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

**7. DEBTORS**

	2008	2007
	£	£
<b>Amounts falling due within one year:</b>		
Amounts due from group undertakings	43,920,273	22,977
Other debtors	663	2,779
	<u>43,920,936</u>	<u>25,756</u>

**8. CREDITORS - amounts falling due within one year :**

	2008	2007
	£	£
Amounts owed to group undertakings	1,774,741	1,710,598
Corporation tax	9,761	14,773
Accruals and deferred income	19,744	13,943
	<u>1,804,246</u>	<u>1,739,314</u>

**9. CREDITORS - amounts falling due after more than one year :**

	2008	2007
	£	£
Shares classified as liabilities	15,000	15,000
	<u>15,000</u>	<u>15,000</u>

**10. DEFERRED TAXATION**

Deferred tax assets are analysed as follows:

	2008	2007
	£	£
The movement for the year in the deferred tax asset is as follows:		
At the beginning of the year	-	3,759
Deferred tax charge for the year	-	(3,759)
At the end of the year	<u>-</u>	<u>-</u>

# BUPA IT SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the year ended 31 December 2008

### 11. SHARE CAPITAL

	2008 £	2007 £
<b>Authorised</b>		
1,000 ordinary shares of £1 each	1,000	1,000
15,000 Preference shares of £1 each	15,000	15,000
10,000 non redeemable 'B' preference shares of £1 each	10,000	10,000
	<u>26,000</u>	<u>26,000</u>
<b>Allotted, called-up and fully paid</b>		
100 ordinary shares of £1 each	100	100
15,000 Preference shares of £1 each	15,000	15,000
10,000 non redeemable 'B' preference shares of £1 each	10,000	10,000
	<u>25,100</u>	<u>25,100</u>
Shares classified as liabilities	15,000	15,000
Shares classified as shareholders' funds	10,100	10,100
	<u>25,100</u>	<u>25,100</u>

The 15,000 preference shares carried a dividend of 6.3875% in 2008. Dividends are payable on 31 March and 30 September in each year. The dividend rights are cumulative.

The preference shares carry no votes at meetings unless the business of the meeting includes a resolution for the winding up of the company or reduction or repayment of all or any part of the capital paid up on any shares.

On a winding up of the company the preference shareholders have a right to receive, in preference to payments to ordinary shareholders, £1 per share plus any accrued dividend.

### 12. RESERVES

2008	Profit and loss account £	Share Premium account £	Total £
At the beginning of the year	34,330,368	7,756,850	42,087,218
Profit for the year	<u>71,237</u>	<u>-</u>	<u>71,237</u>
At the end of the year	<u>34,401,605</u>	<u>7,756,850</u>	<u>42,158,455</u>
<b>2007</b>	<b>Profit and loss account £</b>	<b>Share Premium account £</b>	<b>Total £</b>
At the beginning of the year	30,501,827	7,756,850	38,258,677
Profit for the year	<u>3,828,541</u>	<u>-</u>	<u>3,828,541</u>
At the end of the year	<u>34,330,368</u>	<u>7,756,850</u>	<u>42,087,218</u>

## **BUPA IT SERVICES LIMITED**

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

#### **13. GUARANTEES AND 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.

#### **14. ULTIMATE AND IMMEDIATE PARENT UNDERTAKING**

The immediate parent company is Bupa Investments Limited, a company 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), registered in England and Wales. The smallest group in which they are consolidated is that headed by Bupa Finance Plc 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.