

**Teddies Sports Limited**

**Registered No. 3210285**

**Directors' Report and Financial Statements**

**For the Year Ended 31 December 2007**

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# **Teddies Sports Limited**

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**Teddies Sports Limited**  
**Company Information**

**DIRECTORS**

N T Beazley  
J P Davies  
C A Edmond  
M Ellerby  
F D Gregory  
R King  
N R Taylor

**SECRETARY**

BUPA Secretaries Limited

**REGISTERED OFFICE**

BUPA House  
15-19 Bloomsbury Way  
London  
WC1A 2BA

**COMPANY NUMBER**

3210285

**REGISTERED AUDITORS**

KPMG Audit Plc

## **Teddies Sports Limited**

### **Report of the directors for the year ended 31 December 2007**

The directors present their annual report and the audited financial statements for the year ended 31 December 2007

#### **1. Principal activity**

This company holds an investment in The Riverside Teddies Partnership. The principal activity of The Riverside Teddies Partnership is the operation of nursery, creche and other sports-related facilities for children.

#### **2. Review of the business**

During the year, the Riverside Teddies Partnership closed one of its sites. The development of the business at the remaining two sites is deemed to be satisfactory.

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

The profit for the year, after taxation, amounted to £86,787 (2006 - £74,633).

No dividend is proposed for 2007 (2006 - £ nil).

#### **4. Directors and directors' interests**

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

N T Beazley

J P Davies

C A Edmond

M Ellerby

appointed 9 July 2007

F D Gregory

resigned 9 July 2007, reappointed 1 November 2007

C M Hollingsworth

resigned 9 July 2007

B D J Kent

resigned 1 November 2007

R King

N R Taylor

appointed 9 July 2007

#### **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.

**Teddies Sports Limited**  
**Report of the directors**  
**for the year ended 31 December 2007 - continued**

**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.

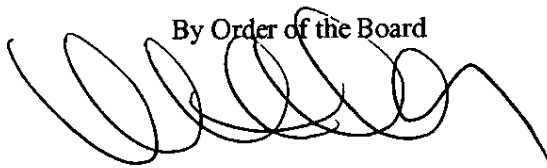
**8. Disclosure of Information to Auditors**

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 relevant audit information and to establish that the Company's auditors are aware of that information.

Registered Office :  
BUPA House  
15-19 Bloomsbury Way  
London  
WC1A 2BA

7 March 2008

By Order of the Board

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end.

M Ellerby  
Director

## **Teddies Sports Limited**

### **Statement of directors' responsibilities in respect of the directors' report and 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.

## **Independent auditors' report to the members of Teddies Sports Limited**

We have audited the financial statements of Teddies Sports Limited for the year ended 31 December 2007 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 5.

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.

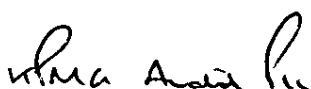
## **Independent auditors' report to the members of Teddies Sports Limited - continued**

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 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**  
*Chartered Accountants*  
*Registered Auditor*  
7 March 2008

1 The Embankment  
Neville Street  
Leeds LS1 4DW



## **Teddies Sports Limited**

### **Profit and Loss Account for the year ended 31 December 2007**

	<i>Note</i>	<b>2007</b>	<b>2006</b>
		<b>£</b>	<b>£</b>
<b>Investment Income</b>		76,313	85,194
Interest receivable and similar income	4	32,136	26,154
Interest payable and similar charges	5	(5,128)	(3,226)
<b>Profit on ordinary activities before taxation</b>		<u>103,321</u>	<u>108,122</u>
Tax on profit on ordinary activities	7	(16,534)	(33,489)
<b>Profit for the financial year</b>		<u>86,787</u>	<u>74,633</u>

The profit on ordinary activities before taxation is all derived from continuing operations

There are no recognised gains and losses other than the profit 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 11 to 15 form part of these financial statements

# Teddies Sports Limited

## Balance Sheet as at 31 December 2007

	Note	2007	2006
		£	£
<b>Fixed assets</b>			
Investments	8	25,000	25,000
<b>Current assets</b>			
<b>Debtors</b> amounts falling due			
within one year	9	788,251	790,257
after more than one year	9	19,919	15,907
		808,170	806,164
<b>Creditors</b> amounts falling due within one	10	(46,404)	(131,185)
<b>Net current assets</b>		761,766	674,979
<b>Total assets less current liabilities</b>		786,766	699,979
<b>Net assets</b>		<u>786,766</u>	<u>699,979</u>
<b>Capital and reserves</b>			
Called up share capital	12	1	1
Profit and loss account	13	786,765	699,978
<b>Equity shareholders' funds</b>		<u>786,766</u>	<u>699,979</u>

These financial statements were approved by the Board of directors on 7 March 2008 and were signed on its behalf by



N R Taylor  
Director

The accounting policies and notes on pages 11 to 15 form part of these financial statements

## **Teddies Sports Limited**

### **Reconciliation of movements in shareholders' funds for the year ended 31 December 2007**

	<b>2007</b> <b>£</b>	<b>2006</b> <b>£</b>
Profit for the financial year	<u>86,787</u>	<u>74,633</u>
<b>Net addition in shareholders' funds</b>	86,787	74,633
Opening shareholders' funds	699,979	625,346
<b>Closing shareholders' funds</b>	<u><u>786,766</u></u>	<u><u>699,979</u></u>

# **Teddies Sports 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), it has taken advantage of the exemption contained in FRS 8 "Related Party Disclosure" and has therefore not disclosed separately transactions or balances with entities which form part of the BUPA Group of companies.

#### **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**

A summary of the more significant accounting policies, which have been applied consistently except as noted above, is set out below

#### **Investment Income**

Investment Income profit share receivable from the Riverside Teddies Partnership in which the company has a 50% interest.

#### **Investments**

Investments held as fixed assets are stated at cost less any permanent diminution in value

#### **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

- 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.

## **Teddies Sports Limited**

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

#### **2. Immediate and Ultimate holding company**

The immediate parent undertaking of Teddies Sports Limited is Teddies Nurseries Limited, a company registered in England and Wales which is a subsidiary of BUPA Investments Limited, a company also 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. The smallest group in which these accounts are consolidated is that headed by BUPA Finance Plc, a company registered in England and Wales. Copies of the accounts of BUPA and BUPA Finance Plc can be obtained 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 £
Interest receivable from Group undertakings	<u>32,136</u>	<u>26,154</u>

#### **5. Interest payable and similar charges**

	2007 £	2006 £
Interest payable to Group undertakings	<u>5,128</u>	<u>3,226</u>

#### **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

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.

# Teddies Sports Limited

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

### 7. Tax on profit on ordinary activities

	2007	2006
	£	£
<b>(i) Analysis of charge</b>		
<i>Current tax</i>		
UK Corporation tax on profits of the year	26,050	32,009
Adjustments in respect of prior years	(5,504)	1,052
Total current tax	<u>20,546</u>	<u>33,061</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	290	428
Adjustments in respect of prior years	(5,745)	-
Change in tax rates	1,443	-
Tax on profit on ordinary activities	<u>16,534</u>	<u>33,489</u>

### (ii) Factors affecting the tax charge

The tax assessed for the period is higher than the standard rate of corporation tax in the UK of 30%. The differences are explained below

	2007	2006
	£	£
Profit on ordinary activities before tax	<u>103,321</u>	<u>108,122</u>
Tax charge on profit on ordinary activities at 30%	30,996	32,437
Effects of		
Income deductible for tax purposes	(4,636)	-
Deferred tax on short term and other timing differences	(310)	(428)
Adjustments to tax charge in respect of prior years	(5,504)	1,052
Total current tax charge for period	<u>20,546</u>	<u>33,061</u>

# **Teddies Sports Limited**

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

### **8. Investments**

	<b>2007</b>	2006
<b>Cost</b>	<b>£</b>	<b>£</b>
Investment in joint venture	<u>25,000</u>	<u>25,000</u>

The company holds a 50% interest in The Riverside Teddies Partnership

In the opinion of the directors, the investments in the company's subsidiary undertakings are worth at least the amounts at which they are stated in the balance sheet

### **9. Debtors**

	<b>2007</b>	2006
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year :</b>		
Amounts due from participating interests	311,953	235,640
Amounts owed by Group undertakings	476,298	554,617
	<u>788,251</u>	<u>790,257</u>

Amounts due from participating interests and Group undertakings represent amounts due from The Riverside Teddies Partnership.

#### **Amounts falling due after more than one year :**

Deferred taxation (note 11)	<u>19,919</u>	<u>15,907</u>
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### **10. Creditors : amounts falling due within one year**

	<b>2007</b>	2006
	<b>£</b>	<b>£</b>
Amounts owed to Group undertakings	<u>46,404</u>	<u>131,185</u>

# **Teddies Sports Limited**

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

### **11. Deferred tax**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>

Deferred tax assets are analysed as follows

Other timing differences	<u>19,919</u>	<u>15,907</u>
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The movement for the year in the net deferred tax asset is as follows

	<b>£</b>
At beginning of year	15,907
Deferred tax credit for year	4,012
At end of year	<u>19,919</u>

The deferred tax asset is included in debtors in note 9 of the accounts

### **12. Share capital**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>

#### **Authorised**

100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
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#### **Allotted, called-up and fully paid**

1 ordinary shares of £1 each	<u>1</u>	<u>1</u>
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### **13. Reserves**

	<b>Profit and loss account £</b>
At 1 January 2007	699,978
Retained profit	86,787
At 31 December 2007	<u>786,765</u>