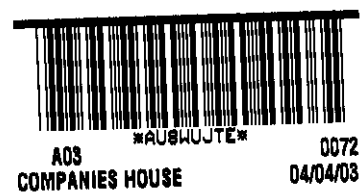


**CARE FIRST AT HOME LIMITED**

**(Registered No. 3326152)**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2002**



**CARE FIRST AT HOME LIMITED**

**REPORT OF THE DIRECTORS**  
**for the year ended 31 December 2002**

The directors present their annual report and the audited financial statements for the year ended 31 December 2002.

**1. Principal activity**

The principal activity of the Company is that of a leasing company.

**2. Review of the business**

The directors consider the performance of the Company during the year to be satisfactory.

**3. Results and dividends**

The profit for the year, after taxation, amounted to £214,187 (2001 – £273,768).

No dividend is proposed for 2002 (2001 - £ Nil).

**4. Directors and directors' interests**

Details of the present directors and any other person who served as a director during the year are set out below:

J P Davies  
M Ellerby  
N R Taylor  
A D Walford

The directors had no interests requiring disclosure under Section 234 of the Companies Act 1985.

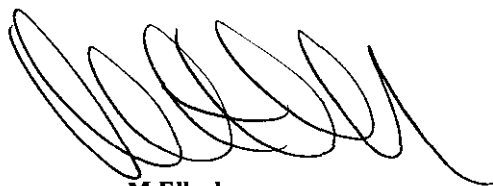
**5. Auditors**

Pursuant to a shareholders' resolution, the Company is not obliged to reappoint its auditors annually and KPMG Audit Plc will therefore continue in office.

Registered Office:  
Bridge House  
Outwood Lane  
Horsforth  
Leeds  
LS18 4UP

13 March 2003

By Order of the Board

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

**M Ellerby**  
**Director**

## **CARE FIRST AT HOME 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 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 INDEPENDENT AUDITORS**

### **TO THE MEMBERS OF CARE FIRST AT HOME LIMITED**

We have audited the financial statements on pages 4 to 12.

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 affairs of the Company as at 31 December 2002 and of the profit of the Company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc  
Chartered Accountants  
Registered Auditor

Leeds

13 March 2003

**CARE FIRST AT HOME LIMITED**

**PROFIT AND LOSS ACCOUNT**  
**for the year ended 31 December 2002**

	<b>Note</b>	<b>2002 £</b>	<b>2001 £</b>
<b>Turnover</b>	1	840,809	679,383
Operating expenses		<u>(255,294)</u>	<u>(158,886)</u>
<b>Operating profit</b>		585,515	520,497
Interest payable and similar charges	4	<u>(279,534)</u>	<u>(231,207)</u>
<b>Profit on ordinary activities before taxation</b>	5	305,981	289,290
Tax on profit on ordinary activities	6	<u>(91,794)</u>	<u>(15,522)</u>
<b>Retained profit for the financial year</b>		<u>214,187</u>	<u>273,768</u>

The operating profit is wholly derived from continuing operations.

There were 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 7 to 12 form part of these financial statements.

**CARE FIRST AT HOME LIMITED**

**BALANCE SHEET**  
as at 31 December 2002

	Note	2002 £	2001 £
<b>Current assets</b>			
Debtors		99,213,601	97,706,197
Debtors: amounts due within one year	7	94,139,978	93,914,118
Debtors: amounts due after one year	7	5,073,623	3,792,079
Cash at bank and in hand		1,996	1,579
		<u>99,215,597</u>	<u>97,707,776</u>
<b>Creditors: amounts falling due within one year</b>	9	<u>(93,417,698)</u>	<u>(93,348,792)</u>
<b>Net current assets</b>		<u>5,797,899</u>	<u>4,358,984</u>
<b>Total assets less current liabilities</b>		5,797,899	4,358,984
<b>Creditors: amounts falling due after more than one year</b>	10	(4,836,957)	(3,632,104)
<b>Provision for liabilities and charges</b>	11	<u>(54,362)</u>	<u>(34,487)</u>
		<u>906,580</u>	<u>692,393</u>
<b>Capital and reserves</b>			
Called up share capital	12	2	2
Profit and loss account	13	<u>906,578</u>	<u>692,391</u>
<b>Equity shareholders' funds</b>		<u>906,580</u>	<u>692,393</u>

These financial statements were approved by the Board of Directors on 13 March 2003 and were signed on its behalf by:



**N R Taylor**  
Director

The accounting policies and notes on pages 7 to 12 form part of these financial statements.

**CARE FIRST AT HOME LIMITED**

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**  
**for the year ended 31 December 2002**

	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
<b>Profit for the financial year and net addition to shareholders' funds</b>	214,187	273,768
<b>Opening shareholders' funds</b>	<u>692,393</u>	<u>418,625</u>
<b>Closing shareholders' funds</b>	<u>906,580</u>	<u>692,393</u>

## **CARE FIRST AT HOME LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2002**

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

##### **(a) Basis of preparation**

The financial statements have been prepared in accordance with applicable accounting standards and 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 & Wales, which publishes consolidated accounts, the Company has pursuant to paragraph 17 of Financial Reporting Standard No. 8 Related Party Disclosure not included details of transactions with other companies which are subsidiary undertakings of the BUPA Group. There are no other related party transactions.

##### **Accounting conventions**

A summary of the more significant accounting policies, which have been applied consistently is set out below.

##### **(b) New financial reporting standards**

###### **Adoption of FRS 19**

Under Financial Reporting Standard No. 19: Deferred Tax (FRS 19) deferred tax is recognised in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Under FRS19 full provision is required, whether or not an actual liability will crystallise. Previously the Company provided for deferred tax in full and hence no prior year adjustment is required. As permitted by FRS 19, the Company has adopted a policy of not discounting deferred tax assets and liabilities.

##### **(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) Turnover**

Turnover represents the gross earnings from finance leases, the aggregate rentals receivable in respect of operating leases, management charges and amounts earned by the Company in the ordinary course of business for services rendered after deducting trade discounts and Value Added Tax, where appropriate. All turnover arises within the United Kingdom.

##### **(e) Taxation including deferred taxation**

The charge for taxation is based on the result for the year and takes into account deferred taxation.

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 deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued receivable.
- 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



## CARE FIRST AT HOME LIMITED

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2002

#### 1. STATEMENT OF ACCOUNTING POLICIES (continued)

##### (e) Taxation including deferred taxation (continued)

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) Finance leases

The gross earnings from finance leases are recognised in the profit and loss account over the period of the lease and represents a constant proportion of the capital repayments outstanding.

The investment in finance leases is stated in the balance sheet at the total of the gross minimum lease payments receivable under such agreements, less finance income allocated to future periods.

Outstanding future lease obligations of assets acquired under finance leases are shown in creditors.

The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of the capital repayments outstanding.

##### (g) Residual interests

In the majority of cases under the finance lease arrangements, the Company retains an interest in the residual value of the leased asset. No recognition is made in the financial statements of any profit attributable to the estimated future disposal proceeds of equipment which will be returned to the Company at the termination of the lease or from rentals resulting from anticipated secondary leases until these are realised.

#### 2. IMMEDIATE & ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking of Care First At Home Limited is Care First Group plc which is registered in England & Wales.

The ultimate parent undertaking is the British United Provident Association Limited (BUPA), a company registered in England & Wales. The group preparing consolidated group accounts which include Care First At Home Limited is BUPA. A copy of BUPA's consolidated financial statements are available to the public from The Registrar of Companies, Cardiff, CF14 3UZ.

#### 3. STAFF COSTS AND DIRECTORS' REMUNERATION

The emoluments of the directors are borne entirely by other Group companies and are disclosed in the financial statements of those companies. The Company has no other employee costs during the year.

#### 4. INTEREST PAYABLE AND SIMILAR CHARGES

	2002 £	2001 £
Finance leases	<u>279,534</u>	<u>231,207</u>

**CARE FIRST AT HOME LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2002

**5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

Profit on ordinary activities before taxation is stated after crediting

	2002 £	2001 £
Gross earnings under finance leases	<u>576,809</u>	<u>415,383</u>

Auditors' remuneration and amounts paid to KPMG Audit Plc and their associates for non audit services are borne by a fellow Group undertaking.

The aggregate rentals received under finance leases are as follows:

	2002 £	2001 £
Finance charges	576,809	415,383
Capital repayments	<u>753,020</u>	<u>484,337</u>
	<u>1,329,829</u>	<u>899,720</u>

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

**(a) Analysis of charge in period**

	2002 £	2001 £
<b>Current tax:</b>		
UK Corporation tax on profits of the year	<u>71,919</u>	<u>-</u>
<b>Total current tax</b>	71,919	-
<b>Deferred tax:</b>		
Origination and reversal of timing differences	19,875	18,652
Adjustment in respect of prior periods	<u>-</u>	<u>(3,130)</u>
<b>Tax on profit on ordinary activities</b>	<u>91,794</u>	<u>15,522</u>

**CARE FIRST AT HOME LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2002

**6. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)**

**(b) Factors effecting the tax charge**

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

<b>Profit on ordinary activities before tax</b>	<u>305,981</u>	<u>289,290</u>
Tax charge on profit on ordinary activities at 30%	91,794	86,787
Effects of:		
Deferred tax on short term and other timing differences	(19,875)	(18,652)
Group relief not paid for	-	(68,135)
Current tax charge for period	<u>71,919</u>	<u>-</u>

**7. DEBTORS**

	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Finance leases	802,595	670,260
Amounts owed by Group undertakings	93,295,120	93,212,620
Other debtors	<u>42,263</u>	<u>31,238</u>
	<u>94,139,978</u>	<u>93,914,118</u>

The finance leases are receivable from a fellow BUPA Group undertaking.

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

	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Finance leases	<u>5,073,623</u>	<u>3,792,079</u>

The finance leases are receivable from a fellow BUPA Group undertaking.

# **CARE FIRST AT HOME LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2002**

### **8. INVESTMENTS IN FINANCE AGREEMENTS**

The Company's investments in finance leases can be allocated as follows:

	<b>2002</b>	2001
	<b>£</b>	<b>£</b>
Minimum lease payments	8,406,756	6,430,576
Finance allocated to future periods	<u>(2,530,538)</u>	<u>(1,968,237)</u>
	<u>5,876,218</u>	<u>4,462,339</u>
Of which due within one year	<u>802,595</u>	<u>670,260</u>
Lease payments receivable in year	<u>576,809</u>	<u>484,337</u>
Cost of equipment acquired during the year	<u>2,166,900</u>	<u>2,270,642</u>

### **9. CREDITORS – amounts falling due within one year**

	<b>2002</b>	2001
	<b>£</b>	<b>£</b>
Obligations under finance leases	858,054	715,278
Payments on account	90,832,908	92,162,737
Amounts owed to Group undertakings	<u>1,726,736</u>	<u>470,777</u>
	<u>93,417,698</u>	<u>93,348,792</u>

Obligations under finance leases are payable to a fellow BUPA Group undertaking.

### **10. CREDITORS – amounts falling due after more than one year**

	<b>2002</b>	2001
	<b>£</b>	<b>£</b>
Obligations under finance leases	<u>4,836,957</u>	<u>3,632,104</u>
<b>Finance leases are repayable as follows:</b>		
	<b>2002</b>	2001
	<b>£</b>	<b>£</b>
Between one and two years	827,294	613,956
Between two and five years	1,383,189	1,470,239
After five years	<u>2,626,474</u>	<u>1,547,909</u>
	<u>4,836,957</u>	<u>3,632,104</u>

Obligations under finance leases are payable to a fellow BUPA Group undertaking.

**CARE FIRST AT HOME LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2002

**11. PROVISIONS FOR LIABILITIES AND CHARGES**

	Deferred taxation £
At the beginning of the year	34,487
Provided in year	<u>19,875</u>
<b>At the end of the year</b>	<b><u>54,362</u></b>

**Deferred taxation**

Deferred tax liabilities are analysed as follows:

	Deferred taxation 2002 £	2001 £
Accelerated capital allowances	<u>54,362</u>	<u>34,487</u>
<b>Provision for deferred tax</b>	<b><u>54,362</u></b>	<b><u>34,487</u></b>

**12. SHARE CAPITAL**

	2002 £	2001 £
<b>Authorised</b>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
<b>Allotted, called-up and fully paid</b>		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

**13. RESERVES**

	Profit and loss account £
At 1 January 2002	692,391
Profit for the year	<u>214,187</u>
<b>At 31 December 2002</b>	<b><u>906,578</u></b>

**14. CONTINGENT LIABILITIES**

The Company has given a guarantee and other undertakings, as part of the Group banking arrangements in respect of the overdrafts 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.