

BUPA COMMISSIONING LIMITED
(formerly BUPA MEMBERSHIP COMMISSIONING LIMITED)

(Registered No. 6147791)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD FROM 9 MARCH TO 31 DECEMBER 2007

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BUPA COMMISSIONING LIMITED
(formerly BUPA MEMBERSHIP COMMISSIONING LIMITED)

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BUPA COMMISSIONING LIMITED
(formerly BUPA MEMBERSHIP COMMISSIONING LIMITED)

REPORT OF THE DIRECTORS
FOR THE PERIOD FROM 9 MARCH TO 31 DECEMBER 2007

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

1. Principal activity

The company was incorporated on 9 March 2007 and these accounts represent the first period of trading. The company was incorporated as BUPA Membership Commissioning Limited and changed its name on 16 January 2008 to BUPA Commissioning Limited. The principal activity of the company is the commissioning of services for Primary Care Trust of the NHS.

2. Review of the business

The directors consider the development of the company during the period to be satisfactory and do not foresee any significant changes in the forthcoming year.

3. Results and dividends

The loss for the period, after taxation, amounted to £2,051,708. No dividend is proposed for 2007.

4. Directors

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

| | |
|---------------------------|---|
| J P Davies | Appointed 09/03/2007 |
| M I Dugdale | Appointed 09/03/2007 |
| F A Kee | Appointed 09/03/2007 |
| N T Beazley | Appointed 09/03/2007 |
| B D J Kent | Appointed 09/03/2007, Resigned 01/11/2007 |
| F D Gregory | Appointed 01/11/2007 |
| N J Macdonald | Appointed 22/05/2007 |
| Instant Companies Limited | Appointed 09/03/2007, Resigned 09/03/2007 |

5. Auditor

Upon incorporation the company appointed KPMG Audit Plc as auditor.

6. Conversion to 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.

7. 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.

8. Disclosure of Information to Auditors

The directors who held office at the date of the 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.

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

By Order of the Board



For and on behalf of BUPA Secretaries Limited
Secretary

20 March 2008

BUPA COMMISSIONING LIMITED
(formerly BUPA MEMBERSHIP COMMISSIONING 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 laws 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 judgements 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 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 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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

BUPA COMMISSIONING LIMITED
(formerly BUPA MEMBERSHIP COMMISSIONING LIMITED)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUPA COMMISSIONING LIMITED

We have audited the financial statements of BUPA Commissioning Limited for the period ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Movements in Equity 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 auditors 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 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.

BUPA COMMISSIONING LIMITED
(formerly BUPA MEMBERSHIP COMMISSIONING LIMITED)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUPA COMMISSIONING 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 2007 and of its loss for the 10 month period 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
8 Salisbury Square
London EC4Y 8BB
Chartered Accountants
Registered Auditor
20 March 2008

BUPA COMMISSIONING LIMITED
(formerly BUPA MEMBERSHIP COMMISSIONING LIMITED)

PROFIT AND LOSS ACCOUNT
FOR THE PERIOD FROM 9 MARCH TO 31 DECEMBER 2007

| | <i>Note</i> | 2007 |
|--|-------------|--------------------|
| | | £ |
| Turnover | <i>1</i> | 223,500 |
| Administrative expenses | | (3,152,798) |
| Operating loss | | <u>(2,929,298)</u> |
| Loss on ordinary activities before taxation | | (2,929,298) |
| Tax on loss on ordinary activities | <i>5</i> | 877,590 |
| Accumulated loss for the period | <i>10</i> | <u>(2,051,708)</u> |

The accounting policies and notes on pages 8 to 11 form part of these financial statements

BUPA COMMISSIONING LIMITED
(formerly BUPA MEMBERSHIP COMMISSIONING LIMITED)

RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS
FOR THE PERIOD FROM 9 MARCH TO 31 DECEMBER 2007

| | 2007 £ |
|---|--------------------|
| Loss for the financial period | (2,051,708) |
| Share capital issued on incorporation | 1 |
| Reduction to equity shareholder's funds | <u>(2,051,707)</u> |
| Opening equity shareholders' funds | - |
| Closing equity shareholders' funds | <u>(2,051,707)</u> |

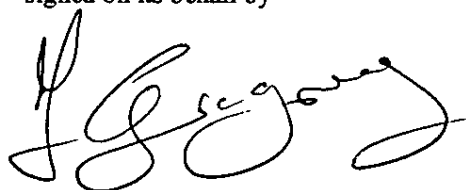
The accounting policies and notes on pages 8 to 11 form part of these financial statements

BUPA COMMISSIONING LIMITED
(formerly BUPA MEMBERSHIP COMMISSIONING LIMITED)

BALANCE SHEET AS AT 31 DECEMBER 2007

| | <i>Note</i> | 2007 £ |
|--|-------------|--------------------|
| Current assets | | |
| Debtors, amounts falling due within one year | 7 | 1,101,091 |
| Current liabilities | | |
| Creditors, amounts falling due within one year | 8 | <u>(3,152,798)</u> |
| Net current liabilities | | (2,051,707) |
| Net liabilities | | <u>(2,051,707)</u> |
| Capital and reserves | | |
| Called up share capital | 9 | 1 |
| Profit and loss account | 10 | <u>(2,051,708)</u> |
| Equity shareholder's funds | | <u>(2,051,707)</u> |

These financial statements were approved by the Board of Directors on 20 March 2008 and were signed on its behalf by



F D Gregory
Director

The accounting policies and notes on pages 8 to 11 form part of these financial statements

BUPA COMMISSIONING LIMITED
(formerly BUPA MEMBERSHIP COMMISSIONING LIMITED)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 9 MARCH TO 31 DECEMBER 2007

1. STATEMENT OF ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements of Bupa Commissioning Limited (the 'company') have been prepared in accordance with applicable accounting standards, under the historical accounting convention and on a going concern basis in view of a letter of support from its immediate parent undertaking

The company was incorporated as BUPA Membership Commissioning Limited and changed its name on 16 January 2008 to BUPA Commissioning Limited

As the company is a wholly owned subsidiary undertaking of British United Provident Association Limited (BUPA), a company registered in England and Wales, which publishes consolidated accounts, 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.

(b) Cash flow statement

The company is exempt from the requirement of Financial Reporting Standard No 1 (Revised 1996) to prepare a cash flow statement as it is a wholly-owned subsidiary undertaking of The British United Provident Association Limited, and 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 for services rendered after deducting trade discounts and value added tax, where applicable. All turnover arises within the United Kingdom.

(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 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 as 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.

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 COMMISSIONING LIMITED
(formerly BUPA MEMBERSHIP COMMISSIONING LIMITED)

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)
FOR THE PERIOD FROM 9 MARCH TO 31 DECEMBER 2007

2 IMMEDIATE AND ULTIMATE HOLDING COMPANY

The company is a direct subsidiary undertaking of BUPA Finance Plc, into which these accounts are consolidated, and is registered in England and Wales. A copy of BUPA Finance Plc's financial statements is available to the public from The Registrar of Companies, Cardiff, CF14 3UZ.

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 is available to the public from The Registrar of Companies, Cardiff, CF14 3UZ.

3. STAFF COSTS AND DIRECTORS' REMUNERATION

Employees

The company had 16 employees during the period.

No remuneration was paid to any of the directors for the period.

4 AUDITOR'S REMUNERATION

| | 2007 £ |
|---|------------|
| Fees for the audit of the company | <u>500</u> |
| Fees for the audit of the company represent the amount receivable by the company's auditors, the audit fee not 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. | |

5. TAX ON LOSS ON ORDINARY ACTIVITIES

| (i) Analysis of tax charge in period | 2007 £ |
|---|-------------------------|
| Current tax | |
| UK corporation tax on profits of the period | (874,502) |
| Total current tax | <u>(874,502)</u> |
| Deferred tax | |
| Origination and reversal of timing differences (2007 30%) | (3,088) |
| Tax credit on loss on ordinary activities | <u><u>(877,590)</u></u> |

(ii) Factors affecting 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.

| | 2007 £ |
|---|-------------------------|
| Loss on ordinary activities before tax | <u>(2,929,298)</u> |
| Tax credit on loss on ordinary activities at 30% | (878,789) |
| Effects of: | |
| Expenses not deductible for tax purposes | 978 |
| Capital expenditure in excess of capital allowances claimed | 3,309 |
| Total current tax credit for period | <u><u>(874,502)</u></u> |

BUPA COMMISSIONING LIMITED
(formerly BUPA MEMBERSHIP COMMISSIONING LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD FROM 9 MARCH TO 31 DECEMBER 2007

6. DEFERRED TAXATION

2007
£

At the beginning of the period

-

Provided in period

(3,088)

At the end of period

(3,088)

Deferred taxation

Deferred tax assets and liabilities are analysed as follows

2007
£

Depreciation in excess of capital allowances claimed

(3,088)

(3,088)

The movement for the period in the net deferred tax provision is as follows,

At the beginning of the period

Deferred tax charge/(credit) for period

(3,088)

At the end of period

(3,088)

The net deferred tax asset is included within Debtors, see note 7

7 DEBTORS

2007
£

Amounts falling due within one year:

Trade debtors

223,501

Other debtors

151

Amounts owed by group undertakings

874,351

Deferred tax asset

3,088

1,101,091

8. CREDITORS

2007
£

Amounts falling due within one year:

Amounts owed to group undertakings

3,152,798

3,152,798

9. SHARE CAPITAL

2007
£

Authorised

25,000,000 ordinary shares of £1 each

25,000,000

Allotted, called-up and fully paid

1 ordinary share of £1 each

1

BUPA COMMISSIONING LIMITED
(formerly BUPA MEMBERSHIP COMMISSIONING LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10 RESERVES

2007
£
Profit
and loss
£

| | |
|---|--------------------|
| Opening balance | - |
| Accumulated losses for the period | (2,051,708) |
| Revaluation surplus arising in the financial year | |
| Closing balance | <u>(2,051,708)</u> |

11. GUARANTEES AND OTHER FINANCE COMMITMENTS

The company has given a guarantee, as part of the group banking arrangements, in respect of the overdraft and loans 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