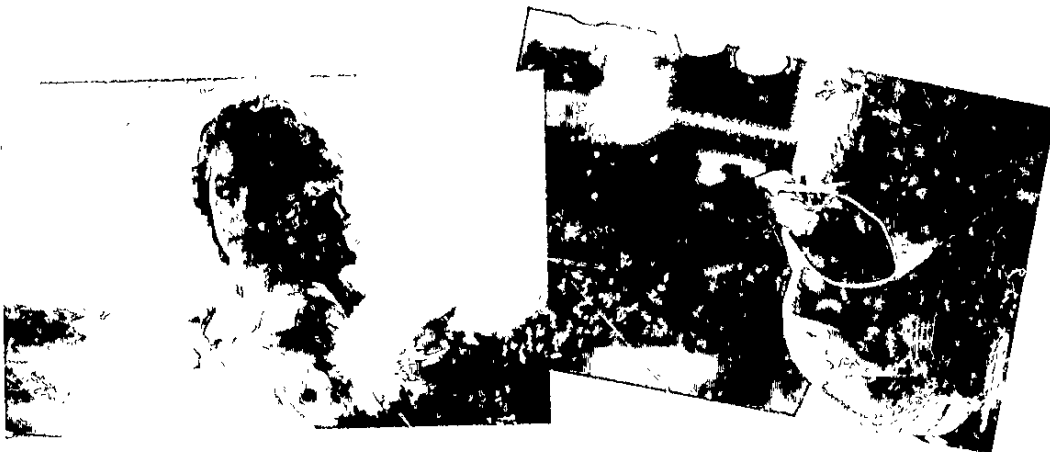


Annual Report and Accounts 1993



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BUPA 

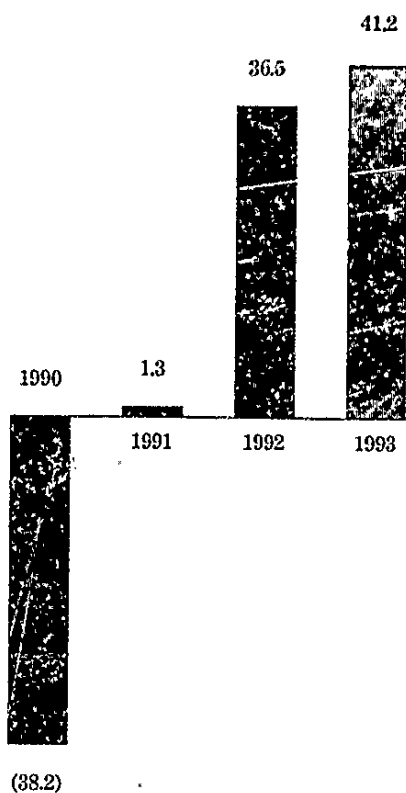
We will be pre-eminent in independent health care, delivering best value, highest quality, personal service to our customers in a caring manner.

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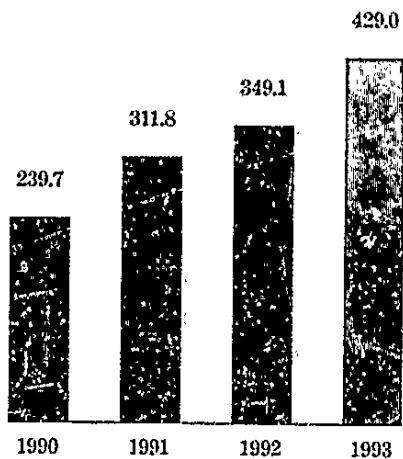
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Financial highlights

Result before taxation £m

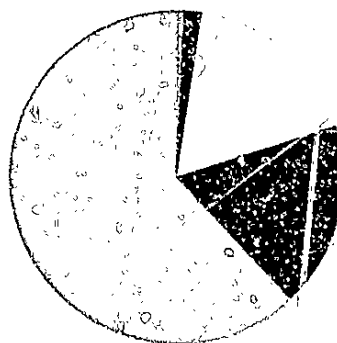


Reserves £m



Subscriptions earned/turnover £m

UK Health Insurance	714.1
Spanish Health Insurance	209.1
Hospitals	205.9
Health Management	17.5
Nursing Homes	8.6
Total	1,155.2



Chairman's statement



In the year to December 1993 BUPA consolidated the progress reported last year. We achieved a surplus before taxation of £41.2 million compared with £36.5 million for the previous year. We also increased reserves by £79.9 million to £429.0 million. This increase in reserves, together with the issue of a 25 year £100 million subordinated loan, has significantly

strengthened the balance sheet and improved liquidity.

From this stronger financial base we are determined to continue restructuring our business activities to improve cost effectiveness and competitiveness. This work is essential to take advantage of the considerable opportunities arising from changes taking place in all the markets in which we operate. The exceptional costs of £18.9 million absorbed this year are indicative of the changes taking place throughout the Group.

The development of BUPA and private health care in general is taking place against a background of tough competitive trading conditions for our corporate customers, and static or even reduced disposable income for many individual members. Affordable and accessible private health care for all who seek it is an important objective for BUPA. In this context we regard as disappointing and unwelcome the Government's decisions to include private medical insurance within the scope of insurance premium tax and to reduce the benefit of tax relief on subscriptions for those members aged over 60. Despite making a strong case to the Government on behalf of our members that health insurance should be excluded from the tax, we were unable to change the Government's position.

In responding to change we remain firmly committed to the traditional values which have guided the Group's development since its beginnings.

Chairman's statement

continued

Our purpose remains to deliver best value, highest quality, personal service to customers in a caring manner.

Your Board regards the principles of the Cadbury Committee on Corporate Governance as sound business practice and complies fully with those provisions which are currently in force. Our system of corporate governance is explained in more detail on page 15 and demonstrates the importance that is attached to the role of our non-executive Governors.

Throughout the Group there is an increasing emphasis on training through which our quality of service and care can be enhanced. I believe strongly in the value of training to develop the skills of our people and improve the service to customers. We will increasingly encourage employees at every level to gain qualifications to enhance their own prospects and improve their contribution to the business.

Since the end of the year we have welcomed two new members to the Board, and one has left. Roger Hymas, who was Group Marketing Director, has joined the Board and become Managing Director of BUPA's Membership Division. John Elbourne, who is an executive Board member and Retail Director of TSB Group plc, has joined us as a non-executive Governor. Arthur Large, who was Managing Director of Membership Division, has left BUPA and we thank him for the contribution he made to the resurgence of that Division.

Finally, at the end of my first full year as Chairman, I should like to thank members of the Board for their support. On their behalf and personally, I express appreciation of the dedication and hard work of all our staff. Their commitment and loyalty has enabled BUPA to make significant progress in 1993.



Sir Bryan Nicholson

17th March 1994

Chief Executive's review

1993 was another positive year for BUPA. We reinforced our position as market leader, and significantly strengthened our balance sheet. BUPA has entered 1994 in good shape to tackle the many challenges and opportunities we face in the changing health care market.

We have put in place business improvement initiatives for all parts of the Group with the aim of progressively transforming the way in which we do business. Before I review performance, I would like to pay tribute to the way everyone has worked in 1993 to build on the turnaround we established in 1992. Change is never easy and we shall need to continue to manage it creatively and positively.

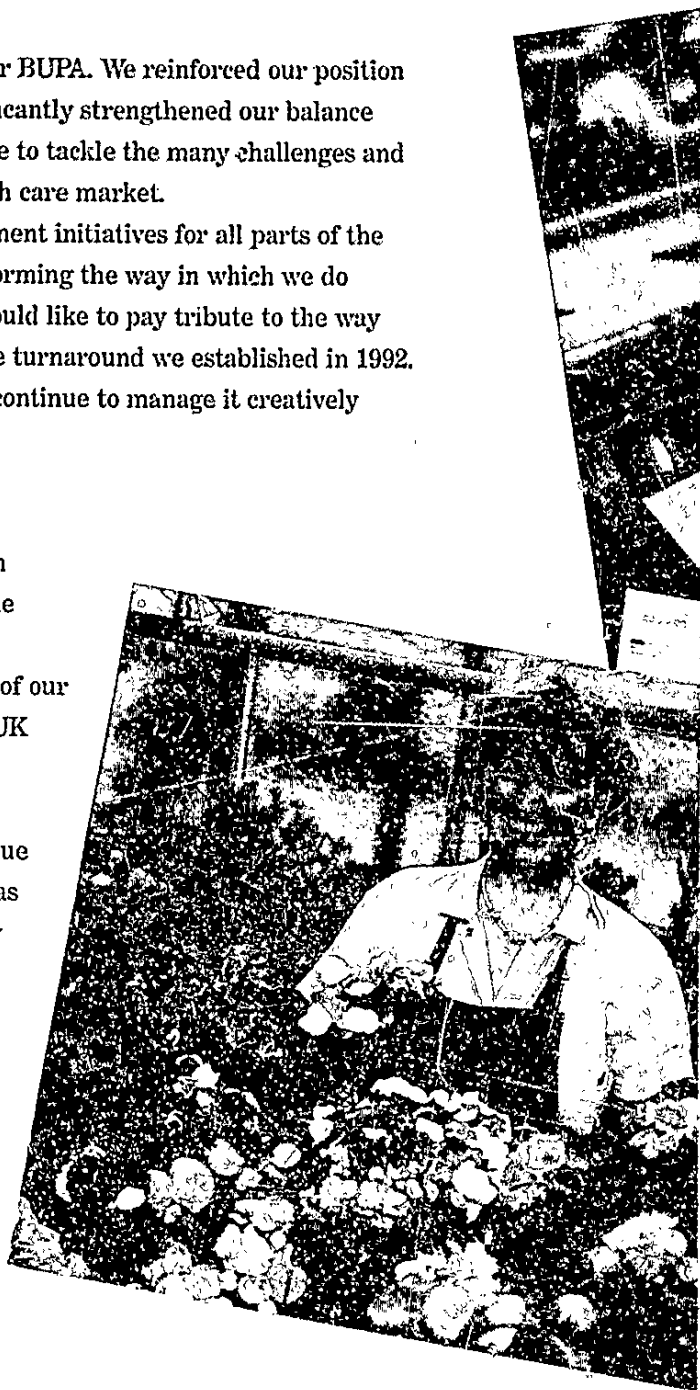
UK Membership

In our UK insurance business, despite tough trading conditions, we have achieved a stable membership base. To be more responsive to customer needs, we have increased the size of our direct sales force to cover the whole of the UK population and we have refined our pricing policy to make it more competitive. Our improved underwriting result in 1993 was due mainly to lower benefit costs. The benefit has been passed on to customers in our January 1994 price review which held or reduced prices on several of our schemes. Quality of service has also been enhanced with claims being paid more speedily and more accurately. Customer satisfaction continues to rise. The introduction of Electronic Data Interchange has, to date, facilitated automatic processing of claims from 34 leading private hospitals.

Managed care

Managed care initiatives are a key element in controlling and reducing health care costs. During 1993 we invested in measurement systems which will enable us to monitor the effectiveness of all aspects of care. These systems are based on leading edge technology brought to us through our accord with US Healthcare. In 1993, over a quarter of our corporate

A growing range of lower-cost personal schemes is bringing the benefits of BUPA membership to a wider cross-section of the population.





In 1993 HSBC Holdings Plc chose BUPA with the full Care Support Service to look after their 45,000 people.

customers used the BUPA care support helpline in three areas: advice on day-case surgery, which is preferred by most patients and costs less; a second specialist opinion programme to seek alternative advice when

appropriate; and a long stay assistance programme which offers the option of nursing support in the patient's own home.

Business sector

Two-thirds of the top 100 companies in Britain are BUPA customers. Our CorporateCare portfolio, designed for large companies with more than 100 members, grew by almost 8% in 1993. We have achieved this by supplying customers with focused cost management initiatives providing best value health care at realistic, competitive prices.

The CompanyCare scheme, designed for medium sized and small businesses, was revised and relaunched in spring 1993 to provide greater flexibility in the range of options for cover.

Personal sector

BUPA serves significantly more individual customers than any other health insurer in the UK, providing a comprehensive range of schemes. This range has been enhanced during 1993 with the introduction of two new products. EssentialCare offers a lower cost option with full cover for hospital treatment while excluding out-patient consultations. BUPA LocalCare adds a unique proposition to our choice of schemes by offering extensive lower cost coverage at the member's nominated approved local hospital.

Another first in 1993 was the launch of BUPA DentalCover aimed at the individual market. This is a logical extension of our health insurance activities. It is the first time that we have worked with dental practitioners and they have warmly welcomed BUPA's entry into the market, particularly our emphasis on quality.

Chief Executive's review

continued

A highly respected advisory panel will ensure the best professional standards of dental care and will support our plans for national coverage by the end of 1994. Our dental director is the first dentist to be accredited BS 5750 status.

Health Services

BUPA is the UK's largest independent provider of health care, operating a network of 30 hospitals and 10 nursing homes for the elderly. We also provide health screening and occupational health services.

We succeeded in maintaining our market share in the acute sector in spite of strong competition. The move to day-case surgery continued together with pressure from insurers to reduce costs. Activity levels were similar to those

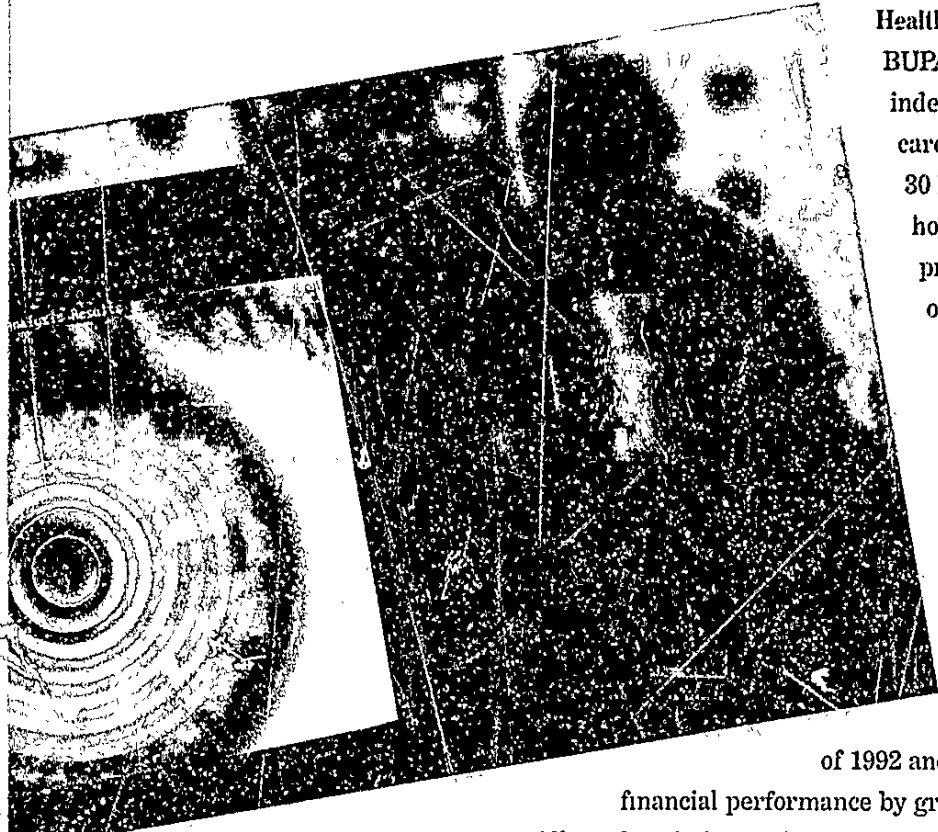
of 1992 and we achieved the improved financial performance by greater levels of efficiency.

All our hospitals now have business improvement and cost reduction plans. In addition, a major systems development project began in 1993. These actions are enabling us to re-configure our hospitals while continuing to provide quality service and care to all our patients, and to support the medical profession properly.

Quality

Quality drives our business. In 1993, BUPA's Gatwick Park Hospital and Oakwood House nursing home in Norwich, together with our Occupational Health operation, all received BS 5750 accreditation. This follows BUPA Cambridge Lea Hospital which in 1992 became the first acute hospital in the UK to achieve this status. Our objective is that all our health facilities will achieve BS 5750 accreditation.

Our hospitals continued to participate in and successfully complete the acute hospital programme of the King's Fund organisational audit.



BUPA now has the largest network of Excimer Laser Sight Centres in the country – a revolutionary alternative to glasses and contact lenses.

New initiatives

During 1993 we examined new market opportunities for our hospitals. As a result, we are introducing new schemes to assist our corporate customers, such as Corporate Health Plus which is designed to attract more business to BCTA hospitals.

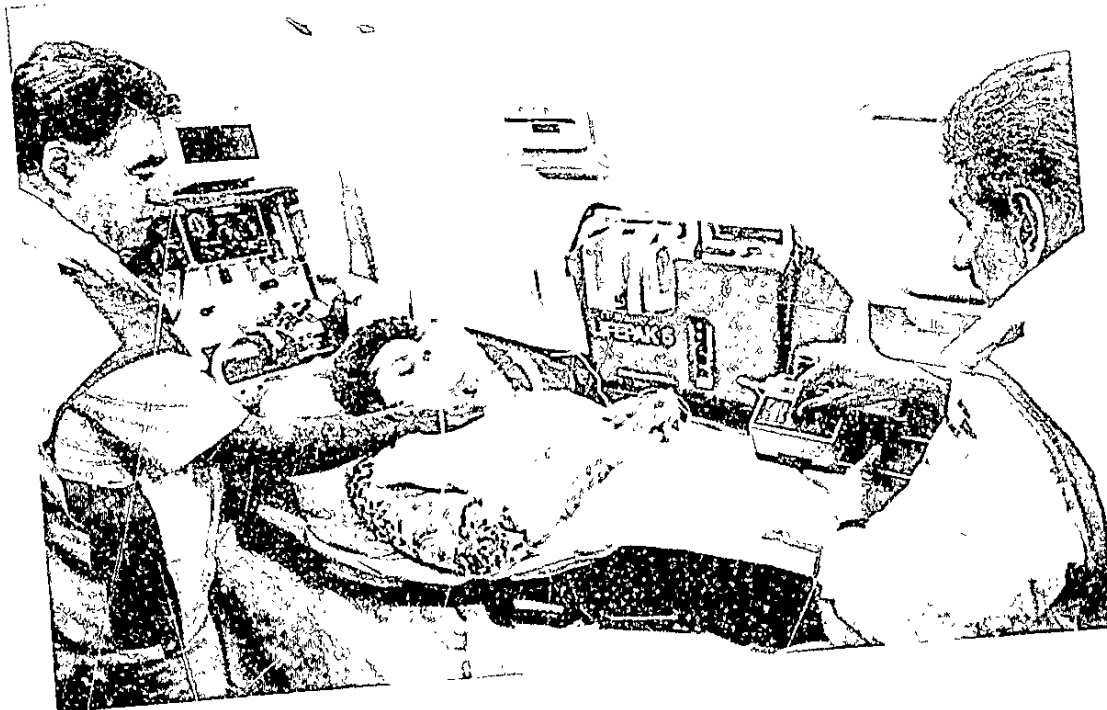
We maintained investment in the latest medical technology and equipment for our hospitals. A joint venture was established to open 10 corneal eye centres in the UK for Excimer Laser surgery. Hospital extension programmes have been completed in Brentwood, Harpenden, Solihull and the Wirral.

Care for the Elderly and Health Management

In a growing market our homes for the elderly continued to perform well and we extended our network of health screening centres in 1993 by franchise agreements with a number of hospitals.

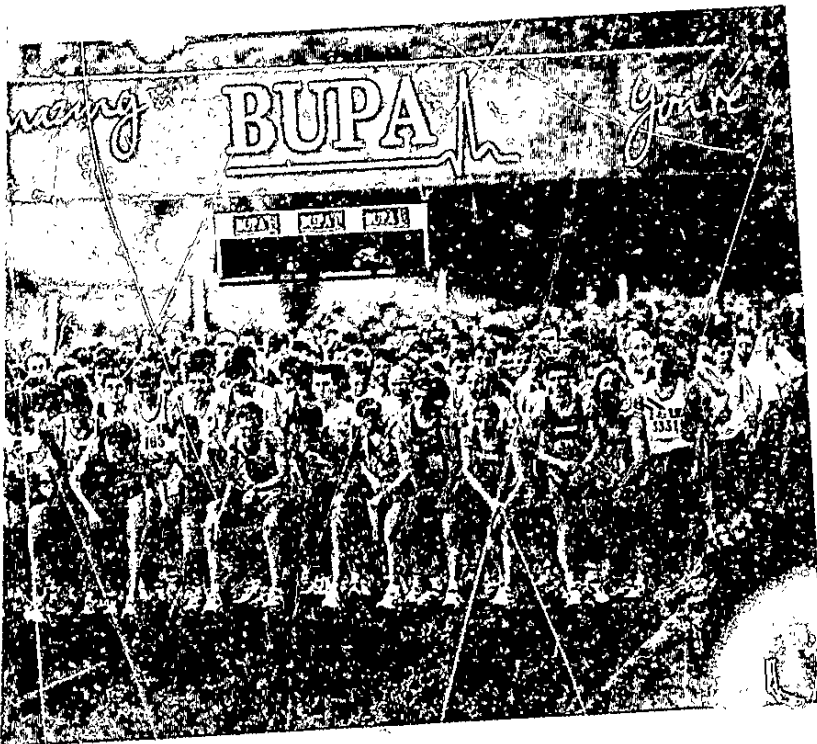
International

Our International businesses provide health insurance worldwide. They include Sanitas, a leading health care company in Spain, a health insurance business in Hong Kong and a growing business meeting the specialist needs of the expatriate community throughout the world.



Chief Executive's review

continued



Thousands await the start of the BUPA Great Caledonian Run in Edinburgh, one of 40 major events sponsored by BUPA last year.

with Zurich Insurance has started to bring benefit and a new arrangement to sell a reimbursement health scheme via the 280 Bankinter branches has been launched. The major changes to our customer service systems are progressing well. Sanitas Line, our unique telephone authorisation service for medical procedures, will be expanded nationally in 1994. Sanitas is the only medical insurer in Spain to have a computer-legible card nationwide which enables members to access our medical services. It also improves doctors' billing procedures and we continue to extend electronic links with our provider network.

Our management team, which was strengthened further during the year, has initiated a major restructuring programme designed to take full advantage of these developments. Provisions of £7.7 million have been made in 1993 for the costs of restructuring to improve markedly Sanitas' competitive position.

Offshore

In 1993 we increased the offshore membership base significantly and moved profitably forward in a competitive market. New flexible schemes were launched in both individual and corporate markets, including options to extend cover to primary care, dentistry, home nursing and maternity. Our 24 hour service was enhanced with the addition of a medical advice service.

Spain

During 1993, Spain continued to suffer an exceptionally deep recession. Sanitas weathered tough trading conditions well and managed to increase membership to 665,000 customers.

As in the UK, we continue to develop and strengthen our product range and distribution channels. The new MundiSanitas International medical reimbursement scheme gained some important corporate accounts.

Our distribution agreement

Chief Executive's review

continued

and younger audience of potential customers.

In addition, our sponsorship programme has benefited a number of charities including the Council for Music in Hospitals, which arranges live musical recitals for patients in NHS hospitals, nursing homes and hospices.

Relationship with the NHS
BUPA continued to work constructively with the NHS in 1993 and we have included a number of

NHS Trust hospitals in our new LocalCare network.

The new television commercial boosted BUPA's appeal and relevance by associating it with the personal benefits of positive health.

The number of patients treated under contract with the NHS in BUPA hospitals continues to rise. We are extending business partnerships between GP fundholders and our hospitals. Working with the NHS, BUPA is pioneering a new approach to heart laser surgery in the UK.

In a joint research project, BUPA is providing laser equipment and nursing expertise for a two-year clinical study involving Papworth Hospital NHS Trust and BUPA's Cambridge Lea Hospital.

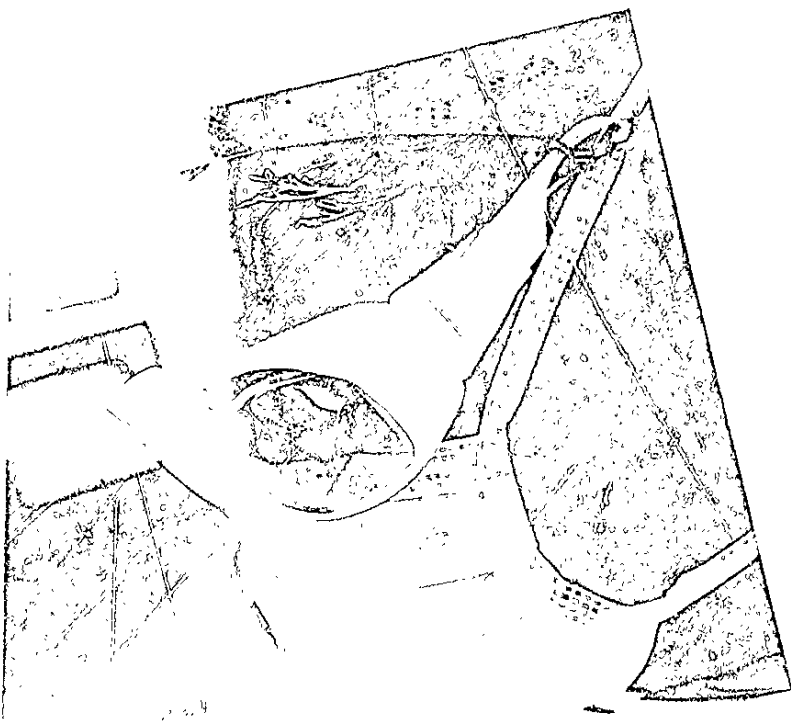
We welcome the Government's initiative to encourage private sector investment in the development of the NHS and look forward to real progress in an area of mutual tangible benefit.

BUPA and the medical profession

BUPA continues to seek to have the best possible relationships with the medical profession. We have restructured our Benefits Management team to include a larger core of doctors to listen more closely to clinical issues raised by consultants. In addition, we have responded to views from the profession by seeking to broaden the range of clinical advice BUPA receives on current medical practice. We have also established Clinical Consensus Panels which give consultants within a medical specialty the opportunity to express their view and share best practice.

During 1993 BUPA's Medical Relations team visited numerous locations around the UK to meet consultants and discuss their concerns. In November 1993 BUPA

Figure 1.1.1



Financial review

In the year to December 1993 BUPA achieved a surplus before taxation of £41.2 million compared with £36.5 million in 1992, £1.4 million in 1991 and a loss of £38.2 million in 1990.

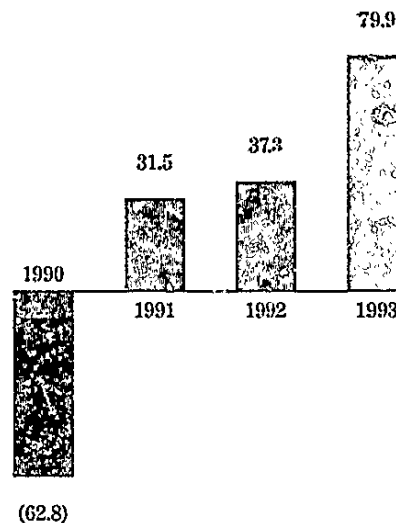
Statement of total recognised gains and losses

The 1993 accounts, which comply with FRS3, include a statement of total recognised gains and losses which brings together the result after taxation with the other gains and losses which are recognised in the accounts. In 1993 the total recognised gains were £79.9 million and are analysed on page 20 together with the consolidated income and expenditure account.

For a business such as BUPA with a significant amount of recognised gains and losses not reported in the income and expenditure account, the total recognised net gain provides a more complete picture of overall financial achievement in the accounting year.

The improvement in our financial performance reflects continued profitable growth in the UK health insurance and health services businesses and a substantial increase in the market value of our investment portfolio. The results of our Spanish subsidiary fell in 1993 in difficult trading conditions.

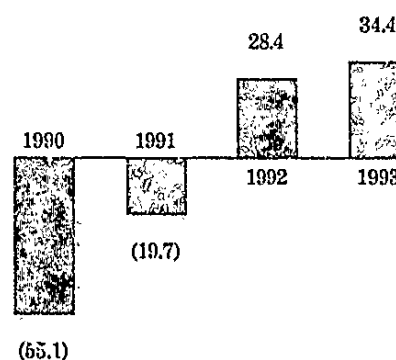
Total recognised gains and losses £m



Health Insurance

The operating result of our Health Insurance activities increased to £19.5 million from £14.4 million in 1992 with subscriptions earned increasing 5.4% to £923.2 million. The increase in the operating result was due mainly to lower medical costs leading to an improvement in the loss ratio. The loss ratio, which measures the ratio of benefits to subscriptions earned, was 81.1% in 1993 compared with 82.2% in 1992.

Health Insurance operating result* £m



*before exceptional charges

The total Health Insurance result is stated after deducting exceptional charges

Financial review

continued

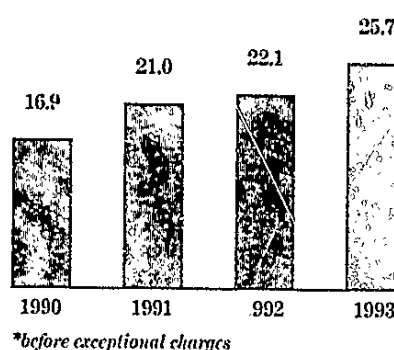
of £14.9 million. These cover property write downs and costs of vacant office space of £7.2 million in our UK Health Insurance Division and restructuring costs of £7.7 million in our Spanish subsidiary, Sanitas. Excluding the effect of the exceptional charge, the UK insurance result in 1993 was £26.3 million compared with £15.7 million in 1992. The Spanish insurance result fell to £8.1 million before exceptional charges from £12.7 million in 1992, the deep recession in Spain being a major contributing factor.

Health Services

Our Health Services Division generated an operating profit of £25.7 million before exceptional charges compared with £22.1 million in 1992. This operating profit was achieved in 1993 on turnover of £232.0 million compared with £217.4 million in 1992.

We have considered the value of our hospital portfolio and have decided to reduce the carrying value of certain of our properties by a total of £11.6 million. Of this reduction, £7.6 million has been offset against revaluation reserves and £4.0 million has been charged against profits as an exceptional cost.

Health Services profit* £m



Investment returns

In 1993, the treasury fund generated a return of £98.5 million compared with £43.8 million in 1992. The return is represented by both income and capital gains. Investment income of £15.6 million has been included in the income and expenditure account. Realised and unrealised capital gains of £82.9 million have been included in the statement of total recognised gains and losses after providing for taxation. The decrease in 1993 investment income reflects lower interest rates on short term deposits together with higher interest costs. The strengthening of BUPA's balance sheet in 1993 afforded the opportunity to increase the liquid investments of the Group and benefit from the strong performance by the world bond and equity markets in the second half of the year.

Treasury fund

The treasury fund grew in 1993 by £193.6 million to £579.1 million as a result of positive operational cash flow, the issue in May of a £100 million, 25 year subordinated bond and investment appreciation.

Financial review

continued

Subordinated bond issue

BUPA became the first provident association to launch a subordinated bond issue in the Sterling eurobond market and the proceeds of the bond issue have been used to strengthen the balance sheet and increase our liquidity. Under the EC Third Non Life Directive, which is due to be implemented by July 1994, a proportion of that loan capital will qualify for the purposes of calculating our solvency margin.

Capital expenditure

Capital expenditure in 1993 was £23.7 million compared with £32.0 million in 1992. The expenditure has been incurred substantially in our Health Services Division and is expected to continue at similar levels in 1994.

Exchange losses

BUPA's principal exchange risk is the Spanish Peseta due to our investment in Sanitas. The translation exposure is not hedged as we do not believe that this necessarily adds value in the long term. The £9.5 million exchange loss taken to reserves in 1993 was due in the main to the 18% depreciation in the value of the Spanish Peseta against Sterling during the year.

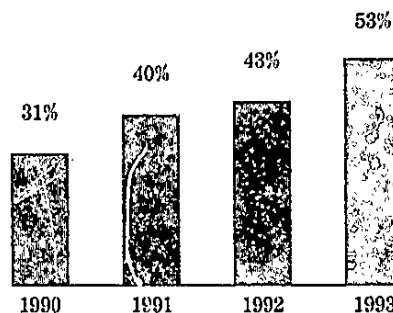
Reserves and solvency

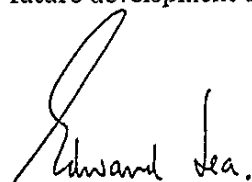
Overall, our reserves increased to £429.0 million from £349.1 million at the end of 1992. Since the beginning of 1991, our reserves have increased by £189.3 million.

Our solvency ratio, which measures the ratio of net admissible assets to subscriptions, was assisted by the impact of the qualifying proportion of the subordinated bond issue and strong

investment returns. At the end of 1993, the solvency ratio was 53% compared with 43% at the end of the previous year and 31% at the end of 1990. We commenced 1994 with a much strengthened balance sheet and improved liquidity to support the future development of the Group.

Solvency ratio





Edward Lea

17th March 1994

Corporate governance

The Association is committed to the principle of sound corporate governance. The Board has reviewed its role and procedures in the light of the Cadbury Report on the Financial Aspects of Corporate Governance and corresponds fully with those provisions which are currently in force. In the absence of guidance from the accounting profession on 'going concern' and 'internal control', no statement has been made this year in respect of these matters.

Details of the Governors are set out on pages 16 and 17. The Board consists of the Chairman who is a non-executive Governor, five further non-executive Governors and six executive Governors. The Board meets regularly and is responsible, inter alia, for overall Group strategy, acquisition and divestment policy, approval of major capital expenditure projects, financing arrangements and the establishment and monitoring of internal controls. It reviews the strategic direction of the operating divisions, their annual budgets, their progress towards achievement of those budgets and their capital expenditure programmes.

The Board has established a number of committees including the Chief Executive's committee, the Audit committee, the Remuneration committee and the Nomination committee.

The Chief Executive's committee is chaired by Peter Jacobs and is responsible for the executive management of the Group. The committee meets twice a month and is composed of executive Governors and the Company Secretary.

The Audit committee is chaired by Mr Ralph Quartano with two other non-executive Governors as its members. The committee meets a minimum of three times a year and provides a forum for reporting by the Group's external and internal auditors. It is also responsible for monitoring the financial controls that are in force to ensure the integrity of the financial information, and reviews a wide range of financial matters including the Annual Report and Accounts before submission to the Board.

The Remuneration committee is composed solely of non-executive Governors and is responsible for establishing the terms and conditions of employment of the Governors. It is chaired by Sir Bryan Nicholson and includes the Deputy Chairman and one other non-executive Governor. Its meetings are also attended, by invitation, by the Chief Executive. No Governor attends any meeting about his or her own remuneration.

The Nomination committee is responsible for making recommendations on the selection and nomination of Governors for appointment by the Board. It is chaired by Sir Bryan Nicholson and includes the Deputy Chairman, one other non-executive Governor and the Chief Executive.

Chief Executive's committee



Peter Jacobs
Chief Executive



Edward Lea
Finance Director

Susan Ellen
Managing Director, Health Services Division

David Boyle
Managing Director, International Division
(left)

Roger Hymas
Managing Director, Membership Division
(right)



Arthur Walford
Company Secretary
(left)

Dr. Hugh Thelwall-Jones
Group Medical Director
(right)



Governors and advisers

Executive Governors

David Boyle Age 51. Governor and Managing Director of BUPA's International Division since February 1993. Former Chairman of SmithKline Beecham Consumer Brands, Europe.

Susan Ellen Age 45. Governor and Managing Director of BUPA's Health Services Division since 1990. Joined BUPA in 1977. Deputy Chairman, Independent Healthcare Association Arute Committee. Non-executive Director of ASDA Group Plc. Member, Financial Review Panel.

Roger Ilymax Age 47. Governor and Managing Director of BUPA's Membership Division since March 1994. Joined BUPA in 1992 as Group Marketing Director. Previous appointments include senior positions at American Express, Burton Group Plc and GE Capital Corporation.

Peter Jacobs Age 51. Governor and Chief Executive since 1991. Former Chief Executive of Berisford International plc, Chairman of British Sugar Plc and Sales Director of Mars Confectionery. Non-executive Director of Dairy Crest Limited.

Edward Lea Age 52. Governor and Finance Director since 1991. Previous appointments include Finance Director of ASDA Group plc and Finance Director and Deputy Chairman of MFI Furniture Group Plc.

Dr. Hugh Thelwall-Jones Age 52. Governor and Group Medical Director since 1991. Joined BUPA in 1990 as Group Medical Adviser. Former Consultant Obstetrician and Gynaecologist, West Dorset Health Authority. Former Member of Council, British Medical Association.

Non-executive Governors

John Elbourne Age 49. Governor since March 1994. Director, TSB Group plc. Member of the Lauro Board, Member of the Management Committee of the Life Insurance Council (Association of British Insurers) and Council Member of the Institute of Bankers. Former Group Director, Life and Pensions, Legal and General Group Plc.

Norman Lessels CBE Age 55. Governor since 1990. Senior Partner, Chiene & Tait, CA. Chairman, Standard Life Assurance Co. Director, Bank of Scotland and Securities and Investments Board. Former President, Institute of Chartered Accountants of Scotland.

Dr. Brian Lewis Age 63. Governor since 1980. Retired Consultant Anaesthetist. Member, General Medical Council. Vice-President, Fellow and Member of Council, British Medical Association.

Sir Bryan Nicholson Age 61. Governor since March 1992 and Chairman from October 1992. President elect, CBI. Chairman, Varsity Holdings Ltd. Chancellor, Sheffield Hallam University. Director GKN plc. Former Chairman and Chief Executive, The Post Office. Former Chairman, Rank Xerox (UK) Ltd., Manpower Services Commission, National Council for Vocational Qualifications (NCVQ).

Sir David Plastow Age 61. Governor since 1990 and Deputy Chairman from October 1992. Chairman, Inchcape plc and the Medical Research Council. Deputy Chairman, TSB Group plc and Joint Deputy Chairman, Guinness Plc. Former Chairman and Chief Executive, Vickers Plc.

Ralph Quartano CBE Age 66. Governor since 1987. Director, Heitman Financial Ltd, 3i Group plc, Booker Plc, Clerical Medical Investment Group, Enterprise Oil plc and The Laird Group Plc. Former Chairman, PosTel Investment Management Limited and Deputy Chairman, Securities and Investments Board.

Company Secretary

Arthur Walford Age 48. Joined BUPA in 1988 as Company Secretary and Solicitor.

Chief Medical Adviser

Sir Terence English Age 61. Chief Medical Adviser to BUPA since 1991. Consultant Cardiac Surgeon, Papworth and Addenbrooke's Hospitals. Past President Royal College of Surgeons of England. Member of the Audit Commission and the Clinical Standards Advisory Group. Master of St. Catherine's College, Cambridge.

Auditors

KPMG Peat Marwick

Bankers

Midland Bank plc and National Westminster Bank Plc

Consulting Actuaries

Bacon & Woodrow

Report of the Board of Governors

The Governors of the British United Provident Association Limited present their Annual Report and Accounts for the year ended 31st December 1993.

Principal activities

Principal activities of the BUPA Group are the operation of health insurance funds and the provision of health care facilities including hospitals, homes for the elderly, health screening and occupational health services.

Financial results

Results of the BUPA Group for the year are reported on page 20. The result after taxation of £28.5m (1992 - £26.1m) has been transferred to reserves.

Operating review

A review of the operations is contained in the Chairman's statement, the Chief Executive's review and the Financial review, all of which form part of this report.

Charitable and political contributions

During the financial year BUPA gave support to a range of predominantly medical charitable organisations amounting to £227,000 (1992 - £304,000). In addition, payments made during the year to two medical charities established by BUPA totalled £404,000 (1992 - £643,000). No political donations were made.

Fixed assets

Changes in fixed assets during the year are shown in note 6 to the financial accounts.

Employees and remuneration

The average weekly number of persons employed by the Group during the year ended 31st December 1993 was 9,045 (1992 - 9,767) and the aggregate gross remuneration amounted to £138.3m (1992 - £135.9m).

Employment policies

The BUPA Group is committed to providing equal opportunities for all persons regardless of their sex, religion or ethnic origin.

We encourage employee involvement throughout the business. We promote a common awareness of the objectives of the Group through established methods of personal briefing and regular meetings. In addition, we provide employees with news and information through our in-house publications including Pacemaker, the BUPA newspaper.

Report of the Board of Governors

continued

Disabled employees

We continue our policy of giving disabled people full and fair consideration for all job vacancies for which they are suitable applicants.

Board of Governors

The Governors of the Company at the date of this report are shown on pages 16 to 17. Mr D. Shaw retired from the Board on 31st January 1993; Mr B.S. Hawkins and Mr P. Laister both retired from the Board on 7th June 1993. Viscount Colville of Culross, Q.C. resigned from the Board on 13th July 1993.

Mr E.W. Lea, Mr N. Lessels, CBE and Sir David Plastow retire by rotation and, being eligible, offer themselves for re-election. Mr J.K. Elbourne and Mr R.F. Hymas who have been appointed to the Board since the last Annual General Meeting, under the provisions of Article 42 retire and, being eligible, offer themselves for election.

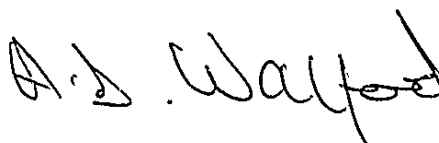
Directors' and officers' liability insurance

The Company purchases liability insurance covering the directors and officers of the Company and its subsidiary undertakings.

Auditors

In accordance with Section 385 of the Companies Act, 1985, KPMG Peat Marwick offer themselves for re-appointment and resolutions will be proposed at the Annual General Meeting to re-appoint them and to authorise the Governors to fix their remuneration.

By order of the Board
A.D. Walford Secretary
17th March 1994.



Consolidated income and expenditure account

for the year ended 31st December 1993

	Notes	1993 £m	1992 £m
Health Insurance	1		
Subscriptions earned		923.2	876.2
Benefits		(748.4)	(719.9)
		174.8	156.3
Expenses		(170.9)	(162.7)
		3.9	(6.4)
Investment income	2	15.6	20.8
		19.5	14.4
Health Services	1		
Turnover		232.0	217.4
Expenses		(210.3)	(195.3)
		21.7	22.1
Result before taxation	3	41.2	36.5
Taxation	4	(12.7)	(10.4)
Result after taxation		28.5	26.1

Statement of total recognised gains and losses

for the year ended 31st December 1993

Result after taxation	13	28.5	26.1
Investment appreciation	14	68.5	23.0
Property revaluation		(7.6)	(14.4)
Exchange (loss)/gain		(9.5)	2.6
Total recognised gains and losses		79.9	37.3

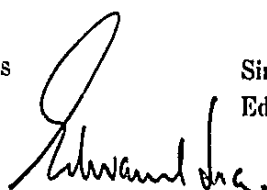
The movement in reserves is set out in note 13 to the financial accounts.

Consolidated balance sheet

at 31st December 1993

	Notes	1993 £m	1992 £m
Fixed assets			
Investments	6	387.4	407.4
Listed	7	318.4	335.4
Short term deposits		22.9	22.4
Loans		—	0.4
Associated undertakings		0.3	0.3
		541.6	358.5
Current assets			
Subscriptions receivable		17.0	20.9
Debtors	9	70.0	64.2
Bank balances		37.5	27.0
		124.5	112.1
		1,053.5	878.0
Liabilities			
Unearned subscriptions		155.6	154.0
Outstanding claims		142.5	139.5
Borrowings	10	55.6	59.7
Deferred consideration	11	27.9	31.7
Taxation	12	26.5	18.7
Other creditors		115.6	122.5
		523.7	526.1
Subordinated bonds 2018	10	529.8	351.9
Minority interests		97.6	—
		3.2	2.8
		429.0	349.1
Represented by:			
Reserves	13	429.0	349.1

Approved by the Board of Governors
17th March 1994



Sir Bryan Nicholson Chairman
Edward Lea Finance Director

Consolidated cash flow statement

for the year ended 31st December 1993

	Notes	1993 £m	1992 £m
Operating activities			
Health Insurance		37.7	82.0
Health Services		42.8	40.8
Net cash inflow from operating activities	16	100.5	122.8
Servicing of finance			
Interest paid		(9.5)	(7.5)
Net cash outflow from servicing of finance		(9.5)	(7.5)
Taxation			
Corporation tax paid		(18.5)	(7.0)
Investing activities			
Net purchase of liquid investments excluding cash equivalents	16	(78.2)	(137.1)
(Decrease)/increase in investment creditors		(19.8)	19.8
Purchase of fixed assets		(23.7)	(32.0)
Sale of fixed assets		2.2	7.1
Purchase of subsidiary undertaking		—	(12.2)
Net cash outflow from investing activities		(119.5)	(154.4)
Net cash outflow before financing		(47.0)	(46.1)
Financing			
Borrowings		(2.8)	0.8
Deferred consideration		(5.1)	(5.0)
Subordinated bonds 2018		97.6	—
Net cash inflow/(outflow) from financing	16	89.7	(4.2)
Increase/(decrease) in cash and cash equivalents		42.7	(50.8)

Balance sheet

at 31st December 1993

	Notes	1993 £m	1992 £m
Fixed assets	6	2.7	3.4
Investments in subsidiary undertakings	8	384.0	360.9
Current assets			
Subscriptions receivable		12.1	13.6
Debtors	9	20.4	12.5
Bank balances		16.7	16.5
		49.2	42.6
		435.9	406.9
Liabilities			
Unearned subscriptions		155.4	154.0
Outstanding claims		121.3	118.4
Bank overdraft		0.3	1.1
Taxation	12	0.2	—
Other creditors		53.9	45.4
		331.1	318.9
		104.8	88.0
Represented by:			
Reserves	13	104.8	88.0

Approved by the Board of Governors
17th March 1994

Sir Bryan Nicholson Chairman
Edward Lea Finance Director

Statement of accounting policies

Basis of presentation

The financial accounts are prepared in accordance with the provisions of Section 255 and 255A of, and Schedule 9 to, the Companies Act 1985 applicable to insurance companies. As permitted by Section 230 of the Companies Act 1985, no income and expenditure account of the Company is presented. The financial accounts have been prepared in accordance with applicable accounting standards.

Basis of consolidation

The consolidated financial accounts incorporate the accounts of the Company and its subsidiary undertakings made up to 31st December.

Goodwill

Goodwill arising on consolidation, being the excess of purchase consideration over the fair value of the net assets acquired, is written off against reserves in the year of acquisition.

Subscriptions

Subscriptions earned represent the proportion of subscriptions relating to cover provided for the year. Unearned subscriptions which relate to unexpired periods of cover are carried forward to the subsequent accounting year.

Claims

Provision is made for the estimated cost of claims for treatment incurred, whether or not reported, up to the balance sheet date and outstanding at that date, together with the related handling expenses.

Fixed assets

Freehold and leasehold properties are stated at cost or valuation; other fixed assets are stated at cost. No depreciation is provided on freehold land or buildings under construction; depreciation of the cost or valuation of other fixed assets is provided by reference to the expected lives of the assets:

Freehold buildings	—	50 years
Leasehold property	—	term of lease
Equipment	—	3 to 10 years

Investments

Listed investments are stated at market value. Dividends on equity investments are accounted for on a received basis; other investment income is accounted for on an accruals basis. Realised profits and losses and the difference between market value and cost, less attributable taxation, are taken directly to reserves as investment appreciation.

Foreign exchange

Transactions denominated in foreign currencies are translated into Sterling and recorded at prevailing exchange rates. Assets and liabilities of overseas subsidiaries and branches are translated into Sterling at the exchange rate ruling at the balance sheet date and their results are translated at average rates. Differences arising on translation are taken directly to reserves.

Leased assets

Rental costs arising under operating leases are charged against income in the year in which they are incurred.

Contributions to pension funds

The cost of providing pensions and related retirement benefits is charged to the income and expenditure account over the expected average remaining service lives of employees. Any difference between the cumulative charge to the income and expenditure account and the contributions paid to the schemes is included as an asset or liability in the balance sheet.

Deferred tax

Provision is made for taxation on timing differences arising from the treatment of certain items for taxation and for accounting purposes where it is considered that tax will become payable in the foreseeable future.

Notes to the financial accounts

1 Segmental information

a) Income and operating result

	Health Insurance		Health Services		Group	
	1993	1992	1993	1992	1993	1992
	£m	£m	£m	£m	£m	£m
Income						
UK	714.1	674.2	232.0	217.4	946.1	891.6
Spain	209.1	202.0	—	—	209.1	202.0
	923.2	876.2	232.0	217.4	1,155.2	1,093.6
Operating result						
UK	19.1	1.7	21.7	22.1	40.8	23.8
Spain	0.4	12.7	—	—	0.4	12.7
	19.5	14.4	21.7	22.1	41.2	36.5

The operating result is stated after charging exceptional items of £18.9m (1992 £14.0m) as follows:

	1993	1992
	£m	£m
Health Insurance (UK) - Property rationalisation	7.2	14.0
Health Insurance (Spain) - Restructuring costs	7.7	—
Health Services - Property revaluation	4.0	—
	18.9	14.0

b) Net assets

	Health Insurance		Health Services		Group	
	1993	1992	1993	1992	1993	1992
	£m	£m	£m	£m	£m	£m
UK	186.9	102.1	206.4	200.4	393.3	302.5
Spain	35.7	46.6	—	—	35.7	46.6
	222.6	148.7	206.4	200.4	429.0	349.1

UK includes interests in Cyprus, Hong Kong and Malta which are not material.

Notes to the financial accounts

2 Investment income

	1993	1992
	£m	£m
Listed	18.1	14.2
Short term deposits	5.0	10.5
Other	8.2	6.4
	31.3	31.1
Interest payable	(11.6)	(7.5)
Investment expenses	(4.1)	(2.8)
	15.6	20.8

3 Result before taxation

The result for the year is stated after charging:

	1993	1992
	£m	£m
Interest payable:		
Subordinated bonds 2018	6.3	—
Bank loans and overdrafts	4.0	6.1
Other loans	0.1	0.4
Deferred consideration	1.9	2.3
	12.3	8.8
Charged against: investment income	11.6	7.5
trading income	0.7	1.3
	12.3	8.8
Depreciation	20.1	32.9
Hire of equipment	1.0	1.0
Operating lease rentals	7.7	6.1
Auditors' remuneration	0.5	0.5
Other fees paid to auditors	0.3	0.2
Exceptional items (note 1)	18.9	14.0

Notes to the financial accounts

4 Taxation

The taxation charge arises on investment income and on the operating results of subsidiary undertakings, as follows:

	1993	1992
	£m	£m
United Kingdom corporation taxation at 33% (1992 - 33%)	7.9	6.5
Taxation on franked investment income	0.9	1.0
Overseas taxation	3.4	1.0
Deferred taxation	0.5	1.9
	12.7	10.4

5 Governors

a) Governors' emoluments

	Chairman	Chairman	Chief Executive	Chief Executive	All Governors	All Governors
	1993	1992	1993	1992	1993	1992
	£000's	£000's	£000's	£000's	£000's	£000's
Executive Governors:						
Salaries			311	307	1,018	939
Performance related bonus			119	112	367	342
			433	419	1,385	1,281
Pension costs: funded			19	19	112	101
unfunded			84	80	213	135
			536	518	1,710	1,517
Non-executive Governors' fees	75	66			277	235
Pensions to former Governors					23	21
Total remuneration	75	66	536	518	2,010	1,773

The emoluments, excluding pension contributions, of the Chairmen who served during 1992 are as follows: Lord Wigoder (1.1.92 - 30.6.92) £42,756, Sir David Plastow (1.7.92 - 21.10.92) £5,886, Sir Bryan Nicholson (22.10.92 - 31.12.92) £17,091.

A bonus scheme exists for executive Governors, based on a combination of the results of the Group and the individual's performance as measured against specific objectives. The maximum bonus is 40% of basic salary.

Notes to the financial accounts

5. Governors - continued

The emoluments, excluding pension contributions, of the Governors, including the Chairman and highest paid Governor, fell within the following bands:

	1993 Number	1992 Number
£5,001-£10,000	1	—
£15,001-£20,000	2	6
£20,001-£25,000	1	2
£25,001-£30,000	2	—
£40,001-£45,000	1	—
£55,001-£60,000	1	—
£80,001-£85,000	1	—
£90,001-£95,000	—	1
£135,001-£140,000	—	1
£145,001-£150,000	1	—
£150,001-£155,000	—	1
£160,001-£165,000	1	1
£185,001-£190,000	1	1
£205,001-£210,000	—	1
£215,001-£220,000	2	—
£415,001-£420,000	—	1
£430,001-£435,000	1	—
	15	15

b) Governors' interests

Under a children's education loan scheme, an amount of £11,952 was outstanding at 1st January 1993 from D. Shaw, a former Governor. The loan was repaid in full during the year. The loan attracted interest at 4% per annum.

Notes to the financial accounts

6 Fixed assets

a) Group

	Freehold properties £m	Leasehold properties £m	Equipment £m	Total £m
Cost or valuation:				
At 1st January 1993	340.0	32.9	128.0	500.9
Exchange adjustment	(6.1)	0.1	(4.5)	(10.5)
Additions	6.2	3.0	14.5	23.7
Disposals	(0.5)	(0.1)	(4.9)	(5.5)
On revaluation	(14.9)	—	—	(14.9)
At 31st December 1993	324.7	35.9	133.1	493.7
Depreciation:				
At 1st January 1993	4.9	5.5	83.1	93.5
Exchange adjustment	(0.6)	—	(2.7)	(3.3)
Charge for the year	5.0	0.8	14.3	20.1
On disposals	—	—	(3.3)	(3.3)
On revaluation	(0.7)	—	—	(0.7)
At 31st December 1993	8.6	6.3	91.4	106.3
Net book value:				
At 31st December 1993	316.1	29.6	41.7	387.4
At 31st December 1992	335.1	27.4	44.9	407.4
Depreciable amount:				
At 31st December 1993	265.0	31.2	133.1	429.3
At 31st December 1992	276.8	30.2	128.0	435.0
Freehold properties:				
Valuation - 1993	36.5			
Valuation - 1992	189.4			
Valuation - 1991	39.7			
Cost	59.1			
	324.7			

In 1993 the Governors considered the valuation of the property portfolio and reduced the carrying value of certain hospitals by £11.6m.

Notes to the financial accounts

6 Fixed assets - *continued* b) *Company*

	Equipment £m
Cost:	
At 1st January 1993	25.4
Additions	1.1
Disposals	(1.1)
At 31st December 1993	25.4
Depreciation:	
At 1st January 1993	22.0
Charge for the year	1.5
On disposals	(0.8)
At 31st December 1993	22.7
Net book value:	
At 31st December 1993	2.7
At 31st December 1992	3.4

7 Listed investments

	1993 £m	1992 £m
Government stocks:		
UK	41.8	169.9
Overseas	145.6	42.5
Equities:		
UK	227.2	123.0
Overseas	103.8	—
	518.4	335.4

8 Investments in subsidiary undertakings

	1993 £m	1992 £m
Shares at cost	0.1	0.1
Amounts due from subsidiary undertakings	156.2	381.0
Amounts due to subsidiary undertakings	(72.3)	(20.2)
	384.0	360.9

The principal subsidiary undertakings are set out in note 18.

Notes to the financial accounts

9 Debtors

	Group		Company	
	1993 £m	1992 £m	1993 £m	1992 £m
Trade debtors	25.1	24.8	—	—
Investment debtors and accrued investment income	4.3	5.6	—	—
Other debtors	34.9	27.9	20.4	12.5
Stock	5.4	5.9	—	—
	70.0	64.2	20.4	12.5

10 Borrowings and Subordinated bonds 2018

	1993 £m	1992 £m
Overdrafts	1.2	2.5
Bank loans	53.2	55.7
Other loans	1.2	1.5
	55.6	59.7
Subordinated bonds 2018	97.6	—
	153.2	59.7

At 31st December 1993, BUPA Investments Limited had unsecured bank loans totalling £50m (1992 - £50m). The loans are repayable by December 1999. Interest on £25m of the loans is linked to LIBOR; the remaining £25m is fixed at 7.3%.

Bank loans amounting to £3.2m (1992 - £5.7m) relate to Blackrock Hospital Limited and are secured by a first fixed and floating charge on the assets of Blackrock Hospital Limited and its subsidiary undertaking. Interest on the loans is linked to DIBOR and the loans are repayable in five annual instalments.

Other loans include £1.0m (1992 - £1.2m) relating to Blackrock Hospital Limited used to finance the purchase of equipment. Interest on the loan, which is secured on the equipment, is payable at 8.5% per annum and the loan is repayable in 14 equal six-monthly instalments.

On 27th May 1993, BUPA Finance PLC, a 100% subsidiary undertaking of the Company, issued 10.5% Subordinated bonds with a nominal value of £100m. The bonds are repayable on 3rd December 2018 and a call option is exercisable by the Company to redeem the bonds on 3rd December 2013. The bond issue is guaranteed by the Company. In the event of a winding up of BUPA Finance PLC or the Company, the claims of the bondholders are subordinated in right of payment to the claims of other creditors of the Company.

Notes to the financial accounts

11 Deferred consideration

Deferred consideration represents the amount due to the principal vendor of Sanitas SA, de Seguros and falls due for payment as follows:

	1993	1992
	£m	£m
Within one year	5.1	5.1
Two years	5.1	5.1
Three to five years	9.9	15.0
	20.1	25.2
Deferred net interest	7.8	6.5
	27.9	31.7

The deferred interest at 8% per annum is payable in 1998.

12 Taxation

	Group		Company	
	1993	1992	1993	1992
	£m	£m	£m	£m
Corporation taxation	13.9	17.0	0.2	—
Deferred taxation	12.6	1.7	—	—
	26.5	18.7	0.2	—

The corporation tax is payable within one year.

Deferred taxation

	Amount provided		Potential liability	
	1993	1992	1993	1992
	£m	£m	£m	£m
Accelerated capital allowances	—	0.4	12.2	10.9
Other timing differences	12.6	1.3	21.4	1.3
Freehold property revaluation	—	—	29.7	17.1
	12.6	1.7	63.3	29.3

Other timing differences include provision for taxation on unrealised investment appreciation. No provision for deferred taxation has been made where a liability is not expected to arise in the foreseeable future.

Notes to the financial accounts

13 Reserves

	Group		Company	
	1993	1992	1993	1992
	£m	£m	£m	£m
At 1st January	349.1	311.8	88.0	84.4
Total recognised gains and losses	79.9	37.3	16.8	3.6
At 31st December	429.0	349.1	104.8	88.0

The excess of income over expenditure transferred to consolidated reserves includes a surplus of £16.8m (1992 - £3.6m) attributable to the Company. Consolidated reserves are stated after writing off accumulated goodwill of £138.2m (1992 - £138.2m).

14 Investment appreciation

	1993	1992
	£m	£m
Realised investment appreciation	15.8	11.5
Unrealised investment appreciation	52.7	11.5
	68.5	23.0

Provision is made for taxation on unrealised investment appreciation where it is considered that taxation will become payable in the foreseeable future. Unrealised investment appreciation is stated net of such provision.

15 Commitments

a) Capital commitments	Group		Company	
	1993	1992	1993	1992
	£m	£m	£m	£m
Contracts placed for future capital expenditure	6.2	5.4	—	—
Capital expenditure authorised but not contracted	0.3	0.4	—	—
	6.5	5.8	—	—

b) Operating lease commitments

	Land and buildings		Equipment		Total	
	1993	1992	1993	1992	1993	1992
	£m	£m	£m	£m	£m	£m
Expiring within one year	0.2	0.1	0.3	0.5	0.5	0.6
Expiring within two to five years	—	1.1	1.1	2.7	1.1	3.8
Extending over five years	6.3	—	6.3	4.7	6.3	4.7
	6.5	1.2	7.7	7.9	7.7	9.1

Notes to the financial accounts

16 Cash flow statement

a) Net cash inflow from operating activities

	Health Insurance		Health Services		Group	
	1993	1992	1993	1992	1993	1992
	£m	£m	£m	£m	£m	£m
Result before taxation	19.5	14.4	21.7	22.1	41.2	36.5
Interest payable	11.6	7.5	0.7	1.3	12.3	8.8
Depreciation	4.7	14.8	15.4	18.1	20.1	32.9
Property revaluation	2.6	—	4.0	—	6.6	—
(Increase)/decrease in current assets	(1.6)	14.5	(0.3)	(4.7)	(1.9)	9.8
Increase in unearned subscriptions	1.6	9.9	—	—	1.6	9.9
Increase/(decrease) in outstanding claims	6.1	(1.4)	—	—	6.1	(1.4)
Increase in other creditors	13.2	22.3	1.3	4.0	14.5	26.3
	57.7	82.0	42.8	40.8	100.5	122.8

b) Changes in cash, cash equivalents and other liquid investments

	Cash and cash equivalents	Other liquid investments			Total
		Listed investments	Short term deposits	Loans	
	£m	£m	£m	£m	£m
At 1st January 1993	69.3	292.9	20.1	0.4	382.7
Net cash inflow	42.7	—	—	—	42.7
Purchases less sales of investments	—	98.7	(20.1)	(0.4)	78.2
Change in market value	—	82.9	—	—	82.9
Exchange loss	(8.9)	—	—	—	(8.9)
At 31st December 1993	103.1	474.5	—	—	577.6

Included in cash and cash equivalents is £43.9m (1992 - £42.5m) disclosed under listed investments and £22.9 (1992 - £2.3m) disclosed under short term deposits in the consolidated balance sheet.

c) Changes in financing

	Borrowings	Deferred consideration	Subordinated bonds
	£m	£m	£m
At 1st January 1993	57.2	31.7	—
Net interest accrual	—	1.3	—
Cash (outflow)/inflow	(2.8)	(5.1)	97.6
At 31st December 1993	54.4	27.9	97.6

Notes to the financial accounts

17 Pensions

The Company and its UK subsidiary undertakings operate defined benefit pension schemes under which contributions by employees and the companies are administered by trustees in funds independent of the companies. The schemes are funded to cover future pension liabilities allowing for expected future earnings and pension increases. On the basis of detailed valuations undertaken every three years and a periodic interim review, the independent actuary recommends the rates of contribution. On 1st January 1994 these schemes were amalgamated to form the BUPA Pension Scheme. Details of the latest valuations of the two principal schemes, prior to amalgamation, are as follows:

	BUPA Pension and Family Security Scheme (BPFSS)	BUPA Health Services Pension Scheme (BHSPS)
Valuation date	1st July 1993	1st October 1993
Method of valuation	Projected unit	Projected unit
Assumptions:		
Investment return	9%	9%
Annual increases –		
Pensionable salaries	7%	7%
Social security	7%	7%
Pension	4%	3%
Aggregate market value of assets	£93.0m	£18.9m

At the valuation dates, the actuarial value of the BPFSS and BHSPS assets represented 134% and 114% respectively of the benefits due to members. The excess assets of the BUPA Pension Scheme eliminate the need for the Company and its subsidiary undertakings to make any contributions to that scheme from 1st March 1994. It is not anticipated that pension contributions to the BUPA pension scheme will be required prior to the next full valuation in July 1996. The need to resume contributions will be reviewed on an annual basis based on interim valuations. The accounts include a provision of £10.7m (1992 – £8.9m) representing the excess of the accumulated cost over the contributions made.

In addition, unfunded defined benefit pension schemes exist for certain employees. The charge to the consolidated income and expenditure account in respect of the schemes and the assessment of the related pension liability at 31st December 1993 have been made in accordance with the advice of independent actuaries and are based principally on rates of increase in salary and the benefits applicable to each employee concerned.

The pension charge in 1993 amounted to £4.6m (1992 – £6.1m).

Included in the outstanding claims provision is an amount of £12.6m (1992 – £12.6m) in respect of post retirement medical benefits granted on an ex-gratia basis. A formal valuation of the liability for these medical benefits was carried out at 31st December 1993 by an actuary employed by the Group.

Notes to the financial accounts

18 Principal subsidiary undertakings

The principal subsidiary undertakings listed below are incorporated in Great Britain, registered in England and Wales and are wholly owned, except where otherwise stated.

Health Insurance

BUPA Asia Limited (Hong Kong)

Sanitas SA, de Seguros (99% holding) (Spain)

*BUPA Investments Limited

BUPA Finance PLC

Health Services

BUPA Hospitals Limited

BUPA Care for the Elderly Limited

BUPA Mobile Screening Limited (99% holding)

Blackrock Hospital Limited (56% holding) (Republic of Ireland)

*Direct subsidiary of the Company.

Statement of Governors' responsibilities and Auditors' report

Statement of Governors' responsibilities in respect of the financial accounts

The following statement, which should be read in conjunction with the auditors' report set out below, is made for the purpose of clarifying the respective responsibilities of the Governors and the auditors in the preparation of the financial accounts.

Governors' responsibilities

Company law requires the Governors to prepare financial accounts for each financial year which comply with the provisions of the Companies Act 1985 applicable to insurance companies. In preparing those financial accounts, the Governors are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial accounts;
- d) prepare the financial accounts on the going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business.

The Governors are responsible for ensuring proper accounting records are maintained which disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial accounts comply with the provisions of the Companies Act 1985 applicable to insurance companies. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors' report to the Members of the British United Provident Association Limited

We have audited the financial accounts on pages 20 to 36.

Respective responsibilities of Governors and auditors

As described above the Company's Governors are responsible for the preparation of financial accounts. It is our responsibility to form an independent opinion, based on our audit, on those financial accounts and to report our opinion to you.

Basis of 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 accounts. It also includes an assessment of the significant estimates and judgements made by the Governors in the preparation of the financial accounts, and of whether the accounting policies are appropriate to the Group'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 accounts 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 accounts.

Opinion

In our opinion the financial accounts have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to insurance companies.

KPMG Peat Marwick

Chartered Accountants, Registered Auditors

London, 17th March 1994



Financial information – five year summary

Extracts from income and expenditure account

	1993	1992	1991	1990	1989
	£m	£m	£m	£m	£m
Trading income					
Subscriptions earned	923.2	876.2	819.0	690.7	584.6
Health Services	232.0	217.4	201.3	180.6	129.4
	1,155.2	1,093.6	1,020.3	871.3	714.0
Result, before taxation	41.2	36.5	1.3	(38.2)	7.2

Statement of total recognised gains and losses

Result after taxation	28.5	26.1	(11.2)	(42.2)	1.9
Investment appreciation/(depreciation)	58.5	23.0	24.4	(23.6)	39.5
Property revaluation	(7.6)	(14.4)	12.3	—	53.2
Exchange (loss)/gain	(9.5)	2.6	6.0	3.0	12.7
Total recognised gains and losses	79.9	37.3	31.5	(62.8)	112.3

Balance sheet

Fixed assets	387.4	407.4	412.3	399.9	403.3
Investments	541.6	358.5	254.1	205.8	292.5
Unearned subscriptions	(155.6)	(154.0)	(144.1)	(143.0)	(131.4)
Outstanding claims	(142.5)	(139.5)	(140.1)	(114.0)	(107.9)
Borrowings	(55.6)	(59.7)	(59.9)	(56.5)	(58.6)
Net other liabilities	(45.5)	(60.8)	(8.5)	(51.4)	(93.7)
Subordinated bonds 2018	(97.6)	—	—	—	—
Minority interests	(3.2)	(2.8)	(2.0)	(1.1)	(1.3)
	429.0	349.1	311.8	239.7	302.9

Represented by:

Reserves	567.2	487.3	450.0	418.5	481.4
Cumulative goodwill written off	(138.2)	(138.2)	(138.2)	(178.8)	(178.5)
	429.0	349.1	311.8	239.7	302.9

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Head Office 15 Essex Street, London WC2R 3AU. 071-379 1111

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Bristol BUPA Hospital Bristol, The Glen, Redland Hill, Durdham Down, Bristol BS6 7JJ. (0272) 732562

Bushey BUPA Hospital Bushey, Heathbourne Road, Bushey, Watford WD2 1RD. 081-950 9090

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Cardiff BUPA Hospital Cardiff, Croescadarn Road, Pentwyn, Cardiff CF2 7XL. (0222) 735515

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Farnham BUPA Hospital Clare Park, Crondall Lane, Crondall, Farnham, Surrey GU10 5XX. (0252) 850216

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