

**BUPA INVESTMENTS LIMITED**

**(Registered No. 902253)**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 1996**



# **BUPA INVESTMENTS LIMITED**

## **REPORT OF THE DIRECTORS for the year ended 31 December 1996**

The Directors present their annual report and the audited financial statements for the year ended 31 December 1996.

### **1. Principal activities**

The principal activity of the Company during the year and for the foreseeable future, is that of an investment company.

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

The Directors consider the development of the Company during the year to be satisfactory, and do not foresee any significant changes in the forthcoming year.

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

The profit for the year, after taxation, amounted to £13,405,944 (1995 - loss £13,618,860). No dividend is proposed for 1996 (1995 - £ nil).

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

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

E W Lea (Chairman)  
C G Davies  
J P Davies  
M Ellerby  
A D Walford

There were no Directors' interests requiring disclosure under Section 234 of the Companies Act 1985.

### **5. Covenants and charitable contributions**

The amounts of covenants and charitable contributions for the year are summarised in note 9 to the accounts.

### **6 Auditors**

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

Registered Office :

BUPA House  
15-19 Bloomsbury Way  
London  
WC1A 2BA

13 March 1997

By Order of the Board



A D Walford  
Secretary

## **BUPA INVESTMENTS LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

The following statement, which should be read in conjunction with the auditors' report set out on page 3, is made for the purpose of clarifying the respective responsibilities of the Directors and the auditors in the preparation 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 of the Company 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.

# **BUPA INVESTMENTS LIMITED**

## **REPORT OF THE AUDITORS**

### **TO THE MEMBERS OF BUPA INVESTMENTS LIMITED**

We have audited the financial statements set out on pages 4 to 22.

#### **Respective responsibilities of Directors and auditors**

As described on page 2, the Company's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 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 the Company's affairs at 31 December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc*

London

13 March 1997

KPMG Audit Plc  
Chartered Accountants  
Registered Auditor

**BUPA INVESTMENTS LIMITED****PROFIT AND LOSS ACCOUNT****for the year ended 31 December 1996**

	<i>Note</i>	1996 £	1995 £
<b>Income</b>	<i>4</i>	27,246,321	38,417,348
Operating expenses		<u>(2,933,723)</u>	<u>(3,084,637)</u>
<b>Operating profit</b>		24,312,598	35,332,711
 Interest payable and similar charges	<i>5</i>	(43,099,898)	(65,545,166)
Profit on sale of subsidiaries	<i>6</i>	19,953,003	146,315
Profit on sale of fixed assets	<i>7</i>	<u>2,505,426</u>	<u>-</u>
<b>Profit/(loss) on ordinary activities before taxation</b>	<i>8</i>	3,671,129	(30,066,140)
Tax on profit/(loss) on ordinary activities	<i>10</i>	<u>9,734,815</u>	<u>16,447,280</u>
<b>Retained profit/(loss) for the financial year</b>		<u><u>13,405,944</u></u>	<u><u>(13,618,860)</u></u>

The operating profit is all derived from continuing operations.

There were no recognised gains and losses other than the profit for the financial year.

**BUPA INVESTMENTS LIMITED****NOTE OF HISTORICAL COST PROFITS AND LOSSES  
for the year ended 31 December 1996**

	1996 £	1995 £
<b>Reported profit/(loss) on ordinary activities before taxation</b>	3,671,129	(30,066,140)
Realisation of property revaluation gains	3,029,701	-
Realisation of investment appreciation gains of previous years	-	18,516,059
<b>Historical cost profit/(loss) on ordinary activities before taxation</b>	<u>6,700,830</u>	<u>(11,550,081)</u>
<b>Historical cost profit on ordinary activities after taxation and dividends</b>	<u>16,435,645</u>	<u>4,897,199</u>

**BUPA INVESTMENTS LIMITED****RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**  
**for the year ended 31 December 1996**

	1996 £	1995 £
<b>Profit/(loss) for the financial year</b>	13,405,944	(13,618,860)
	<hr/>	<hr/>
<b>Net addition to shareholders' funds</b>	13,405,944	(13,618,860)
Opening shareholders' funds	257,421,516	271,040,376
	<hr/>	<hr/>
<b>Closing shareholders' funds</b>	<u>270,827,460</u>	<u>257,421,516</u>

# BUPA INVESTMENTS LIMITED

## BALANCE SHEET

as at 31 December 1996

	Note	1996 £	1995 £
<b>Fixed assets</b>			
Tangible assets	11	23,663,988	15,811,929
Investments	12	826,616,526	474,677,068
		<u>850,280,514</u>	<u>490,488,997</u>
<b>Current assets</b>			
<b>Debtors:</b> amounts falling due within one year	13	11,651,679	5,942,687
<b>Debtors:</b> amounts falling due after more than one year	13	950,603,759	1,256,539,417
		<u>962,255,438</u>	<u>1,262,482,104</u>
Cash at bank and in hand		6,398,119	3,270,177
		<u>968,653,557</u>	<u>1,265,752,281</u>
<b>Creditors:</b> amounts falling due within one year	14	(34,893,783)	(26,192,684)
<b>Net current assets</b>		<u>933,759,774</u>	<u>1,239,559,597</u>
<b>Total assets less current liabilities</b>		1,784,040,288	1,730,048,594
<b>Creditors:</b> amounts falling due after more than one year	15	(1,510,246,174)	(1,470,657,406)
<b>Provisions for liabilities and charges</b>	17	(2,966,654)	(1,969,672)
		<u>270,827,460</u>	<u>257,421,516</u>
<b>Capital and reserves</b>			
Called up share capital	18	50,000	50,000
Revaluation reserve	19	-	3,029,701
Profit and loss account	19	270,777,460	254,341,815
<b>Shareholders' funds</b>		<u>270,827,460</u>	<u>257,421,516</u>

These financial statements were approved by the Board of Directors on 13 March 1997 and were signed on its behalf by

E W Lea



Director

The accounting policies and notes on pages 8 to 22 form part of these Financial Statements.



# **BUPA INVESTMENTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 1996**

### **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 of The British United Provident Association Limited, it has taken advantage of the exemption contained in FRS8 and has therefore not disclosed separately transactions or balances with entities which form part of the BUPA group.

#### **(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 its cash flows are included within the consolidated cash flow statement of that company.

#### **(c) Fixed assets and depreciation**

Depreciation is calculated to write-down the cost of tangible fixed assets to their estimated residual value over their expected useful lives.

The rates and methods generally applicable are:

Freehold buildings	-	50 years
Leasehold land and buildings	-	term of the lease less one year
Fixtures, fittings & equipment	-	3 - 10 years

No depreciation is provided on freehold land.

#### **(d) Investments**

Freehold and leasehold land and buildings, which are all occupied by the group for its own use, are stated at current value.

Other financial investments are stated at market value. Realised profits and losses, the difference between net proceeds and previous carrying value, are accounted for in the profit and loss account.

Short term deposits are included at cost.

Investments in subsidiary undertakings are carried at cost less provisions for diminution in value.

Dividends on equity investments are accounted for on a received basis; other investment income is accounted for on an accruals basis.

# **BUPA INVESTMENTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**for the year ended 31 December 1996 - continued**

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

#### **(e) Foreign currencies**

Where foreign currency borrowings have been used to finance foreign listed investments the foreign listed investments are denominated in the foreign currency to the extent that they are so financed and are translated at the exchange rate ruling on the balance sheet date or at the future contracted rate where appropriate. Any exchange differences arising on the foreign borrowings are taken directly to reserves and are offset against the exchange differences arising on retranslation of the foreign listed investment. Any other foreign currency assets and liabilities are retranslated at the year end. Any differences are charged to the profit and loss account.

#### **(f) Taxation**

The charge for taxation is based on the result for the year and takes into account taxation deferred due to timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred taxation only to the extent that it is probable that a liability will crystallise. It is expected that trading losses surrendered will be made on a full payment basis.

#### **(g) Finance leases**

Assets acquired under finance leases are capitalised and the outstanding future lease obligations 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.

#### **(h) Off balance sheet investments**

Profits and losses on instruments which are used to hedge exposure are recognised in a manner that reflects the accounting treatment of the assets or liabilities being hedged.

## BUPA INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 1996 - continued

#### 2. ULTIMATE HOLDING COMPANY

The Company is a wholly owned subsidiary of The British United Provident Association Limited, in whose accounts these financial statements are consolidated. A copy of BUPA's consolidated financial statements are available to the public from The Registrar of Companies, Cardiff, CF4 3UZ.

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

The Company had no employees during the year (1995 : none) and consequently incurred no staff costs.

Remuneration of directors

	1996 £	1995 £
Directors' emoluments:		
As directors	<u>223,300</u>	<u>119,350</u>

The emoluments, excluding pension contributions, of the chairman were £nil (1995: Nil) and those of the highest paid director were £ 110,000 (1995: £76,500)

The emoluments, excluding pension contributions, of the directors (including the chairman and the highest paid directors) were within the following ranges:

	Number of directors	
	1996	1995
£0 - £ 5,000	3	4
£25,001 - £ 30,000	-	1
£75,001 - £ 80,000	-	1
£85,001 - £ 90,000	1	-
£105,001 - £110,000	1	-

**BUPA INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 December 1996 - continued****4. INCOME FROM INVESTMENTS**

	1996	1995
	£	£
Income from investments	1,023,320	5,056,754
Interest receivable	24,911,364	21,100,725
Rental income	67,624	59,716
Rental income from Group undertakings	1,019,246	1,337,237
Profit on sale of listed investments	224,767	10,861,885
Underwriting commission	-	1,031
	<hr/>	<hr/>
	27,246,321	38,417,348
	<hr/>	<hr/>

**5. INTEREST PAYABLE AND SIMILAR CHARGES**

	1996	1995
	£	£
Bank loans and overdrafts (repayable within five years)	2,711,087	3,429,260
Other loans	299,977	43,376
Finance charges payable in respect of finance leases and hire purchase contracts	53,976	-
To subsidiary undertakings	39,533,858	61,118,530
Deferred consideration	501,000	954,000
	<hr/>	<hr/>
	43,099,898	65,545,166
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# BUPA INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 1996 - continued

### 6. PROFIT ON SALE OF

#### SUBSIDIARY UNDERTAKINGS

	1996	1995
	£	£
The profit on sale of subsidiary companies has been calculated as follows:		
Proceeds (net of sale expenses)	29,999,102	146,415
Less cost of investment	(10,046,099)	(100)
	<u>19,953,003</u>	<u>146,315</u>

### 7. PROFIT ON SALE OF FIXED ASSETS

	1996	1995
	£	£
The profit on sale of fixed assets has been calculated as follows:		
Proceeds (net of sale expenses)	15,010,100	-
Less cost of investment	(12,504,674)	-
	<u>2,505,426</u>	<u>-</u>

### 8. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

	1996	1995
	£	£
<i>Profit/(loss) on ordinary activities is stated after charging:</i>		
Depreciation and other amounts written off tangible fixed assets :		
Owned	235,690	280,293
Leased	105,829	-
Finance charges payable – finance leases and hire purchase contracts	53,976	-
Other operating costs	1,653,370	1,981,808
Auditors' remuneration:		
Audit	22,335	19,014
Covenants and charitable contributions	916,499	803,522
	<u></u>	<u></u>

# BUPA INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 1996 - continued

9. COVENANTS AND CHARITABLE CONTRIBUTIONS	1996	1995
	£	£
Payments made under deed of covenant and Gift Aid:		
The BUPA Foundation	333,333	-
The BUPA Medical Foundation Limited	-	333,333
Other charities	583,166	470,189
	<u>916,499</u>	<u>803,522</u>
10. TAX ON PROFIT ON ORDINARY ACTIVITIES	1996	1995
	£	£
The taxation (credit)/charge is based on the result for the year :		
UK corporation tax at 33%	(8,568,567)	(25,969,813)
Deferred taxation	1,956,099	16,401,038
Tax attributable to franked investment income	-	372,504
	<u>(6,612,468)</u>	<u>(9,196,271)</u>
Taxation over provided in previous years :		
Corporation tax	(81,276)	(3,245,545)
Group relief	(2,081,952)	(7,638)
Deferred taxation	<u>(959,119)</u>	<u>(3,997,826)</u>
	<u>(9,734,815)</u>	<u>(16,447,280)</u>

# BUPA INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 1996 - continued

### 11. TANGIBLE FIXED ASSETS

Cost or valuation	Freehold £	Leasehold £	Fixtures, Fittings & Equipment £	Payments on account £	Total £
At 1 January 1996	14,108,604	6,859,328	-	194,537	21,162,469
Additions	12	20,000	5,919,558	-	5,939,570
Transfers	-	15,170,000	-	-	15,170,000
Disposals	(13,830,577)	-	-	-	(13,830,577)
At 31 December 1996	278,039	22,049,328	5,919,558	194,537	28,441,462

#### Depreciation

At 1 January 1996	696,894	4,653,646	-	-	5,350,540
Charge for the year	235,690	105,828	-	-	341,518
On disposals	(914,584)	-	-	-	(914,584)
At 31 December 1996	18,000	4,759,474	-	-	4,777,474

#### Net Book Value

At 31 December 1996	260,039	17,289,854	5,919,558	194,537	23,663,988
At 31 December 1995	13,411,710	2,205,682	-	194,537	15,811,929

#### Depreciable amount at 31 December 1996

Depreciable amount at 31 December 1996	225,000	18,146,875	5,919,558	-	24,291,433
Depreciable amount at 31 December 1995	11,922,260	2,921,146	-	-	14,843,406

The net book value of land and buildings comprises :

	1996 £	1995 £
Freehold	260,039	13,411,710
Long leasehold	15,475,397	308,432
Short leasehold	1,814,457	1,897,250
	<u>17,549,893</u>	<u>15,617,392</u>

# BUPA INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 1996 - continued

### 12. INVESTMENTS

	31/12/96	Additions	Disposals	01/01/96
Listed investments	60,161,625	2,259,820	-	57,901,805
Short term deposits	213,158,475	82,446,375	-	130,712,100
Group undertakings:				
Shares	337,137,283	67,518,532	10,046,099	279,664,850
Loans	231,830,581	209,780,581	-	22,050,000
Participating interests:				
Shares	52,332	-	751	53,083
Other investments:				
Loans	270,000	-	19,000	289,000
	<u>842,610,296</u>	<u>362,005,308</u>	<u>10,065,850</u>	<u>490,670,838</u>
Provision for diminution in value	(15,993,770)	-	-	(15,993,770)
	<u>826,616,526</u>	<u>362,005,308</u>	<u>10,065,850</u>	<u>474,677,068</u>

On 12 January 1996 the Company acquired a further 55,000,000 Ordinary shares in BUPA International Limited.

On 21 February 1996 the Company acquired 1 Ordinary share in Health Care Online Limited.

On 4 April 1996, the Company acquired 100 Ordinary shares in BUPA Nursing Homes Properties Limited. These shares were sold to another group undertaking on 23 December 1996.

On 30 April 1996, the Company acquired 10,000 Ordinary shares in Country House Nursing Homes Limited.

On 10 May 1996, the Company sold its entire shareholding in BUPA Properties (1994) Limited.

On 13 June 1996 the Company acquired 10,002 shares in BUPA Media Purchasing Limited.

On 19 August 1996, the Company sold its entire shareholding in BUPA Dunedin Hospital Limited.

On 19 December 1996, the Company acquired 18,300,000 shares in Mainreview Limited by way of a rights issue.

On 19 December 1996, the Company acquired 20,000,000 Ordinary shares in BUPA Claims Administration Limited.

On 19 December 1996, the Company acquired 50,000 'A' shares in Partnership in Health, a joint venture with SmithKline Beecham Plc.

On 20 December 1996, the Company acquired 751 Ordinary shares in Marander Limited.



# BUPA INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 1996 - continued

### 12. INVESTMENTS - continued

- a) Listed investments, all of which are dealt on recognised stock exchanges, are summarised as follows:

	1996 £	1995 £
Equities:		
UK - Listed on the London Stock Exchange	60,161,625	57,901,805
	<u>60,161,625</u>	<u>57,901,805</u>

The cost of listed investments at 31 December 1996 amounted to £50,002,974 (1995 £50,002,974).

b) Group companies - shares	1996 £	1995 £
At 1 January	279,664,850	246,283,111
Additions	67,518,532	33,603,770
Disposals	<u>(10,046,099)</u>	<u>(222,031)</u>
	337,137,283	279,664,850
Provision for diminution in value	<u>(3,493,770)</u>	<u>(3,493,770)</u>
Carrying Value at 31 December	<u>333,643,513</u>	<u>276,171,080</u>

## **BUPA INVESTMENTS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**for the year ended 31 December 1996 - continued**

#### **12. INVESTMENTS - continued**

The principal subsidiary undertakings of the Company are listed below and unless otherwise stated, are registered in England and Wales and wholly owned. All holdings consist of ordinary equity shares.

##### **ADMINISTRATIVE AND COMPUTING SERVICES**

BUPA Power and Leasing Limited  
Datahealth Limited  
BUPA Travel Services Limited  
BUPA Marketing Services Limited  
BM Leasing (1992) Limited  
BM Leasing (1994) Limited  
BUPA Services Limited  
Essex Street Investments Limited  
BUPA Purchasing Limited  
Bemerton Limited  
KB Jackson and Son (Developments) Limited  
BMSL Limited  
BUPA Trustees Limited  
Actagent Limited  
BUPA Properties (1994) Limited  
BUPA Properties (1995) Limited  
BUPA Claims Administration Limited  
BUPA Leasing (Dublin) Limited  
BUPA Roding Hospital Limited  
BUPA Wellbeing Limited  
BUPA Administrative Systems Limited  
BUPA Properties Limited  
Mainreview Limited  
BUPA Media Purchasing Limited (incorporated in Guernsey)  
Health Care Online Limited

##### **HEALTH SERVICES**

BUPA Hospitals Limited  
BUPA Occupational Health Limited  
Country House Nursing Homes Limited  
Blackrock Hospital Limited (56% holding) (incorporated in the Republic of Ireland)  
Partnership in Health Limited (50% holding)  
Cardiff Medical Services Limited  
BHS Leasing (1995) Limited **(D)**

##### **INSURANCE COMPANIES**

BUPA Health Assurance Limited  
BUPA Dentalcover Limited

# BUPA INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 1996 - continued

### 12. INVESTMENTS - continued

#### INTERNATIONAL

BUPA International Limited (incorporated in Hong Kong)

#### INVESTMENTS

BUPA Treasury Limited

BUPA Europe Limited (holding includes 100% of non voting irredeemable preference shares)

(D) Dormant

#### c) Group companies - loans

	1996	1995
	£	£
Loans to Group companies were made up as follows:		
12.5% Convertible Unsecured Loan Stock 1994-2004	5,500,000	5,500,000
Unsecured loans	226,330,581	16,550,000
	<u>231,830,581</u>	<u>22,050,000</u>
Provision for diminution in value	(12,500,000)	(12,500,000)
	<u>219,330,581</u>	<u>9,550,000</u>
Carrying Value at 31 December		

#### d) Participating interests

	Holding %	1996 £	1995 £
Investments in participating interests consisted of the following holdings at cost:			
Mainreview Limited (registered in England and Wales)			
751 £1 ordinary 'A' shares		-	751
Primrose Care Limited (registered in England and Wales)			
23,555 50p ordinary shares	11	52,332	52,332
		<u>52,332</u>	<u>53,083</u>

The Company purchased shares in Mainreview Limited during the year. It is now a subsidiary and is included in investments under shares in group companies.

# BUPA INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 1996 - continued

### 12. INVESTMENTS - continued

#### e) Other investments

##### Secured loans

Loans, net of provisions, amounting to £151,000 (1995: £170,000) and made to private hospitals to assist in their development, are repayable over periods of up to six years.

##### Unsecured loans

Unsecured loans, net of provisions, amounting to £119,000 (1995: £119,000) and made to private hospitals to assist in their development, are repayable over periods of up to three years.

### 13. DEBTORS

	1996	1995
	£	£
<b>Amounts falling due within one year:</b>		
Prepayments and accrued income	1,063,070	614,284
Amounts owed by group undertakings	10,540,238	5,113,614
Taxation and social security	47,472	213,864
Cash deposits held by fund managers	-	26
Other debtors	899	899
	<u>11,651,679</u>	<u>5,942,687</u>
	1996	1995
	£	£
<b>Amounts falling due after more than one year:</b>		
Amounts owed by group undertakings	<u>950,603,759</u>	<u>1,256,539,417</u>

# BUPA INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 1996 - continued

### 14. CREDITORS

	1996	1995
	£	£
<b>Amounts falling due within one year:</b>		
Obligations under finance leases	65,846	-
Trade creditors	463,520	1,167,614
Amounts owed to Group undertakings	23,682,985	19,558,215
Swap Liability	5,287,209	-
Other creditors	407,580	446,023
Deferred consideration	4,986,643	5,020,832
	<u>34,893,783</u>	<u>26,192,684</u>

Deferred consideration represents part of the amount due to the principal vendor of Sanitas S.A., de Seguros. (See note 15)

### 15. CREDITORS

	1996	1995
	£	£
<b>Amounts falling due after more than one year:</b>		
Bank loans and overdrafts	25,000,000	50,000,000
Unsecured loans, non-interest bearing having no final repayment date	113,050,892	314,179,969
Obligations under finance leases	72,043	-
Amounts owed to Group undertakings	1,362,277,386	1,092,145,943
Deferred consideration	9,845,853	14,331,494
	<u>1,510,246,174</u>	<u>1,470,657,406</u>

#### Bank loans

The bank loans are unsecured and repayable by December 1999. Interest on the loans is linked to LIBOR.

#### Deferred consideration

The deferred consideration represents the amount due to the principal vendor of Sanitas S.A., de Seguros and falls due for payment as follows:

	1996	1995
	£	£
Within one year	4,986,643	5,020,832
From 2 to 5 years	9,845,853	14,331,494
	<u>14,832,496</u>	<u>19,352,326</u>

# BUPA INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 1996 - continued

### 16. OBLIGATIONS UNDER FINANCE LEASES

	1996	1995
	£	£
The maturity of obligations under finance leases is as follows :		
Within one year	65,846	-
Between two and five years	61,326	-
Over five years	10,717	-
	<hr/>	<hr/>
	137,889	-
Less : finance charges allocated to future periods	-	-
	<hr/>	<hr/>
	137,889	-
	<hr/>	<hr/>

### 17. PROVISIONS FOR LIABILITIES AND CHARGES

	1996	1995
	£	£
Group Company Guarantee	1,871,445	1,871,445
Deferred taxation	1,095,209	98,227
	<hr/>	<hr/>
	2,966,654	1,969,672
	<hr/>	<hr/>
Deferred Tax:		
At 1 January 1996		98,227
Charge for the year		98,982
		<hr/>
At 31 December 1996		1,095,209
		<hr/>

The amounts provided for deferred taxation and the amounts not provided are set out below :

	Provided		Not provided	
	1996	1995	1996	1995
	£	£	£	£
Accelerated capital allowances	736,326	666,441	-	-
Other timing differences	358,883	(568,214)	1,755,000	-
	<hr/>	<hr/>	<hr/>	<hr/>
	1,095,209	98,227	1,755,000	-
	<hr/>	<hr/>	<hr/>	<hr/>

# BUPA INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 1996 - continued

### 18. SHARE CAPITAL

	1996	1995
	£	£
<b>Authorised, allotted, called-up and fully paid</b>		
50,000 ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

### 19. RESERVES

	Property revaluation reserve £	Profit and loss account £	Total £
At 1 January 1996	3,029,701	254,341,815	257,371,516
Transfer to profit and loss account	(3,029,701)	3,029,701	-
Retained profit	-	13,405,944	13,405,944
	<u>-</u>	<u>270,777,460</u>	<u>270,777,460</u>
At 31 December 1996	-	270,777,460	270,777,460

### 20. CONTINGENT LIABILITIES

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

Under a group registration the Company is jointly and severally liable for value added tax due by certain other group companies.

The company is party to a joint and several guarantee to NatWest Properties Limited in respect of the obligations of Dolphyn Court Properties Limited and BUPA Hospitals Limited.

The company has also undertaken to support group undertakings with net liabilities.

National Westminster Bank PLC hold a legal charge dated 28 July 1994 over a £50m FTSE 100 Qualifying Index Linked Security (QIS) and the QIS option in favour of NatWest Properties Limited and National Westminster Bank PLC.