

**BUPA INVESTMENTS LIMITED**

**(Registered Number 902253)**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED**

**31 DECEMBER 2009**

THURSDAY



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13/05/2010  
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## **BUPA INVESTMENTS LIMITED**

**Registered number 902253**

### **REPORT OF THE DIRECTORS**

**for the year ended 31 December 2009**

The directors present their directors' report and financial statements for the year ended 31 December 2009

#### **1. Principal activities**

The principal activities for the Company for the year was that of a holding and intercompany funding company

#### **2. Business review**

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

The results for the Company show a loss before taxation of £9.2m (2008 loss £83.7m) and turnover of £82.1m (2008 £125.1m). The Company has net assets of £316.3m (2008 £315.3m)

The operating loss decreased by £75.8m. This variation is mainly due to the decrease in interest payable and similar charges by £117.7m offset by the decrease on the income from investment activities of (£43.0m)

During the year several loans were amalgamated and current accounts either capitalised into loans or repaid which resulted in a net decrease of £323.4m in intercompany loans. This in conjunction with the decrease in interest rates directly impacted upon the interest

A dividend of £22.4m was received from Bupa Leasing 1993 Ltd

In 2009 the £250m interest rate swap that the Company holds with HSBC and NAB earned an income of £8.2m (2008 payment of £2.6m). This is due to the fact that the interest received is a fixed rate of 4.8% (each September) and the interest payable legs have a variable rate every quarter. In 2008 this variable rate was on average 5.2% and in 2009 only 1.7%

During 2009, world economic market conditions were still suffering from turmoil in the major global economies. The relative weakness of Sterling compared to the other currencies, principally the Australian Dollar, created a loss in intercompany loans of £16.4m. On the other side the Company had a gain in foreign exchange of £9.7m in the New Zealand Dollar preference shares

In 2009, the Company disposed of Teddies Nurseries Limited. This transaction resulted in a reduction of £29.8m in the investment in Group companies and a release of £17.2m in the provision in a reduction against this investment. The Company made a loss on the disposal of £2.7m

The external commercial environment is expected to remain competitive in 2010. The Company's management and its strategy are subject to a number of uncertainties and risks. These risks and uncertainties include interest rate and foreign exchange rate fluctuations driven by the external investment market and the uncertainty of timing of cash generation within the other Group companies. Management believes that these risks and uncertainties are managed effectively and are reviewed on a regular basis, in line with Group policies

Details of Bupa Group's business risks and risk management processes are set out in the parent company's annual report. The Company is managed on a divisional basis as part of the Group's operations. The directors do not therefore consider the use of KPIs to be appropriate or necessary to provide an understanding of the development, performance or position of the Company

**BUPA INVESTMENTS LIMITED**

Registered number 902253

**REPORT OF THE DIRECTORS - continued  
for the year ended 31 December 2009**

**3. Proposed dividends**

The directors do not recommend the payment of a dividend in respect of the year ended 31 December 2009 (2008 £nil)

**4. 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

**5. Directors**

The directors who held office during the year were as follows

N T Beazley  
G M Evans  
I J Goodacre  
F D Gregory  
M A Merchant  
T D Singer

**6. Political and charitable contributions**

The Company made no political or charitable donations or incurred any political expenditure during the year

**7. International Financial Reporting Standards**

The ultimate parent undertaking has prepared Group accounts in accordance with International Financial Reporting Standards (IFRS) The Company is not required to report under IFRS and therefore these accounts are prepared in accordance with applicable UK accounting standards

**8. Disclosure of information to auditors**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

**9. Auditors**

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG Audit Plc will therefore continue in the office

Registered Office

Bupa House  
15-19 Bloomsbury Way  
London  
WC1A 2BA

3 March 2010

By order of the Board



For and on behalf of  
Bupa Secretaries Ltd  
Secretary

**BUPA INVESTMENTS LIMITED**

**Registered number 902253**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS  
REPORT AND FINANCIAL STATEMENTS**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit and 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 adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

**BUPA INVESTMENTS LIMITED**

Registered number 902253

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUPA INVESTMENTS LIMITED**

We have audited the financial statements of Bupa Investments Limited for the year ended 31 December 2009 set out on pages 6 to 18. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements and the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**BUPA INVESTMENTS LIMITED**  
**Registered number 902253**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUPA INVESTMENTS LIMITED - continued**

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



**Simon Pashby (Senior Statutory Auditor)**  
**for and on behalf of KPMG Audit Plc, Statutory Auditor**

Chartered Accountants

8 Salisbury Square  
London EC4Y 8BB

3 March 2010

**BUPA INVESTMENTS LIMITED**  
**Registered number 902253**

**PROFIT AND LOSS ACCOUNT**  
**for the year ended 31 December 2009**

	<i>Note</i>	2009 £	2008 £
Income from investment activities	4	82,096,728	125,057,769
Interest payable and similar charges	7	(89,969,709)	(207,677,228)
Administrative expenses		(66,971)	(1,132,449)
<b>Operating loss</b>		<b>(7,939,952)</b>	<b>(83,751,908)</b>
Other interest receivable and similar income	5	1,386,450	792,463
Loss on write off of fixed assets	8	-	(726,343)
Loss on disposal of investment in Group Companies	9	(2,687,483)	-
<b>Loss on ordinary activities before taxation</b>		<b>(9,240,985)</b>	<b>(83,685,788)</b>
Tax on loss on ordinary activities	10	10,099,611	17,618,907
<b>Profit/(loss) for the financial year</b>		<b>858,626</b>	<b>(66,066,881)</b>

The operating profit is all derived from continuing operations

There were no material differences between reported profit and losses and historical profit and losses on ordinary activities before and after taxation

The notes on pages 9 to 18 form part of these financial statements

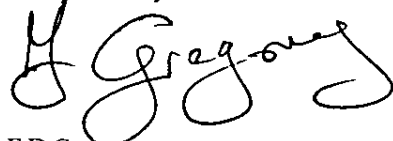
**BUPA INVESTMENTS LIMITED**  
**Registered number 902253**

**BALANCE SHEET**

**as at 31 December 2009**

	<i>Note</i>	2009 £	2008 £
<b>Fixed assets</b>			
Tangible assets	11	828,429	674,890
Investments	12	3,571,592,134	3,950,237,706
		<u>3,572,420,563</u>	<u>3,950,912,596</u>
<b>Current assets</b>			
Debtors amounts falling due within one year	13	228,052,415	822,290,257
Cash at bank and in hand		7,239,094	341,487
		<u>235,291,509</u>	<u>822,631,744</u>
<b>Creditors amounts falling due within one year</b>	14	<u>(352,071,320)</u>	<u>(1,244,934,465)</u>
<b>Net current liabilities</b>		<u>(116,779,811)</u>	<u>(422,302,721)</u>
<b>Total assets less current liabilities</b>		3,455,640,752	3,528,609,875
<b>Creditors amounts falling due after more than one year</b>	14	(3,138,634,452)	(3,212,686,653)
<b>Provisions for liabilities and charges</b>	15	(670,709)	(612,873)
<b>Net assets</b>		<u><u>316,335,591</u></u>	<u><u>315,310,349</u></u>
<b>Capital and reserves</b>			
Called up share capital	16	50,000	50,000
Revaluation reserve	17	166,616	-
Profit and loss account	17	316,118,975	315,260,349
<b>Equity shareholders' funds</b>		<u><u>316,335,591</u></u>	<u><u>315,310,349</u></u>

These financial statements were approved by the Board of Directors on 3 March 2010 and were signed on its behalf by



F D Gregory  
Director

The notes on pages 9 to 18 form part of these financial statements



**BUPA INVESTMENTS LIMITED**  
**Registered number 902253**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**for the year ended 31 December 2009**

	2009 £	2008 £
Profit/(loss) for the financial year	858,626	(66,066,881)
Unrealised surplus on revaluation of properties	-	172,297
Total recognised losses relating to the financial year	<u>858,626</u>	<u>(65,894,584)</u>

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**  
**for the year ended 31 December 2009**

	2009 £	2008 £
<b>Profit/(loss) for the financial year</b>	858,626	(66,066,881)
Other recognised gains relating to the year	<u>166,616</u>	<u>-</u>
<b>Net increase/(decrease) in shareholders' funds</b>	1,025,242	(66,066,881)
Opening shareholders' funds	315,310,349	381,377,230
<b>Closing shareholders' funds</b>	<u>316,335,591</u>	<u>315,310,349</u>

The notes on pages 9 to 18 form part of these financial statements

**BUPA INVESTMENTS LIMITED**

**Registered number 902253**

**NOTES TO THE FINANCIAL STATEMENTS**

**for the year ended 31 December 2009**

**1. STATEMENT OF ACCOUNTING POLICIES**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except where noted below

**(a) Basis of preparation**

The financial statements have been prepared in accordance with applicable UK accounting standards and under historical cost accounting rules, modified to include the revaluation of properties. In view of the letter of support from Bupa Finance plc, which undertakes to provide such support as is necessary to enable the company to meet its liabilities as they fall due, the financial statements are also prepared on a going concern basis.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to produce group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

As the Company is a wholly owned subsidiary of the British United Provident Association Limited ("Bupa"), the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Bupa, within which this Company is included, can be obtained from the address given in note 2.

**(b) Investments**

Investments in subsidiary undertakings are carried at cost less provisions for diminution in value. Dividends on equity investments are accounted for on a receivable basis, other investment income is accounted for on an accrual basis.

Short term deposits and listed investments are included at cost.

**(c) Foreign currencies**

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

**(d) Fixed assets and depreciation**

Long leasehold land and buildings, which are all occupied by the group for its own use, are stated at current value. Interim valuations of property are made at least every three years. Full valuations are completed at least every five years. Depreciation is provided to write-off the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Leasehold land and buildings	- shorter of useful life and lease term
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Unrealised gains/losses on revaluation are taken to revaluation reserves in accordance with FRS 15.

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 December 2009 - continued**

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

**(e) 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

- (i) Provision is made for tax on gains arising from the revaluation of property to its market value, the fair value adjustment of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned and without it being possible to claim rollover relief. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold
- (ii) 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
- (iii) 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

**(f) Dividends on shares presented within shareholders' funds**

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements

**2. IMMEDIATE AND ULTIMATE PARENT UNDERTAKINGS**

The immediate parent undertaking of the company and the smallest group into which these financial statements are consolidated is that headed by Bupa Finance Plc, a company registered in England and Wales

The ultimate parent undertaking and the largest group into which these financial statements are consolidated is that headed by The British United Provident Association Limited (Bupa), a company registered in England and Wales. Copies of the accounts of Bupa and Bupa Finance Plc can be obtained from The Registrar of Companies, Cardiff, CF14 3UZ

**BUPA INVESTMENTS LIMITED**  
**Registered number 902253**

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 December 2009 - continued**

**3 STAFF COSTS AND DIRECTORS' REMUNERATION**

**(a) Employees**

The Company had no employees during the year (2008 nil) and consequently incurred no staff costs

**(b) Directors' remuneration**

No remuneration was paid to any of the directors for the year (2008 £nil)

**4. INCOME FROM INVESTMENT ACTIVITIES**

	2009	2008
	£	£
Income from shares in Group undertakings	28,327,461	5,911,328
Interest receivable from Group undertakings	43,077,134	116,284,363
Interest rate swap interest receivable	8,162,133	-
Investment management charges	2,530,000	2,862,078
	<u>82,096,728</u>	<u>125,057,769</u>

**5 OTHER INTEREST RECEIVABLE AND SIMILAR INCOME**

	2009	2008
	£	£
Interest receivable	1,057,417	499,777
Rental income	318,660	283,236
Other income	10,373	9,450
	<u>1,386,450</u>	<u>792,463</u>

**6 AUDITORS' REMUNERATION**

	2009	2008
	£	£
Fees for the audit of the Company	<u>37,000</u>	<u>34,299</u>

Fees for the audit of the Company represent the amount receivable by the Company's auditors. The amount may not be 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.

**7 INTEREST PAYABLE AND SIMILAR CHARGES**

	2009	2008
	£	£
Bank loans and overdrafts	390,802	691,416
Interest rate swap interest payable	-	2,556,582
Foreign exchange loss	7,530,352	2,544,457
Interest payable to Group undertakings	69,912,142	201,884,773
Loss on sale of equities	5,154	-
Provision against amounts owed by Group undertakings	12,131,259	-
	<u>89,969,709</u>	<u>207,677,228</u>

**BUPA INVESTMENTS LIMITED**  
Registered number 902253

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2009 - continued

**8 LOSS ON THE WRITE OFF OF FIXED ASSETS**

	2009	2008
	£	£
Loss on the write off of fixed assets	-	726,343

**9 LOSS ON DISPOSAL OF INVESTMENT IN GROUP COMPANIES**

	2009	2008
	£	£
Disposal of Teddies Nurseries Limited	2,687,483	-

**10 TAX ON LOSS ON ORDINARY ACTIVITIES**

**(i) Analysis of tax charge in the year**

	2009	2008
	£	£
Current tax		
UK corporation tax on profits of the year	(7,243,686)	(17,897,720)
Adjustments in respect of prior periods	(2,892,907)	(106,115)
	(10,136,593)	(18,003,835)
Double taxation relief	(190,382)	(336,597)
Adjustments to double taxation relief in respect of prior years	(20,854)	-
	(10,347,829)	(18,340,432)
Foreign tax on income for the year	190,382	603,473
Total current tax	(10,157,447)	(17,736,959)
Deferred tax		
Origination and reversal of timing differences	57,836	56,628
Adjustments in respect of prior periods	-	61,424
Tax on profit on ordinary activities	(10,099,611)	(17,618,907)

**(ii) Factors affecting the tax charge**

The tax assessed for the year is lower than the 2008 rate of corporation tax in the UK of 28% (2008 28.5%). The differences are explained below:

	2009	2008
	£	£
Profit/(loss) on ordinary activities before tax	(9,240,985)	(83,685,788)
Tax charge/(credit) on profit/(loss) on ordinary activities at 28%	(2,587,476)	(23,848,163)
Effects of		
Non taxable income	(10,647,545)	(2,161,181)
Expenses not deductible for tax purposes	4,154,225	304,183
Transfer pricing adjustment	1,894,946	7,865,075
Depreciation in excess of capital allowances claimed	3,589	4,881
Deferred tax on short-term and other timing differences	(61,425)	(62,515)
Higher tax rates on overseas earnings	-	266,876
Adjustments to tax charge in respect of prior periods	(2,913,761)	(106,115)
Total current tax charge for year	(10,157,447)	(17,736,959)

**BUPA INVESTMENTS LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2009 - continued

**11 TANGIBLE ASSETS**

	Short Leasehold Properties £
<b>Cost or valuation</b>	
At the beginning of the year	699,992
Revaluation	130,008
At the end of the year	<u>830,000</u>
<b>Depreciation</b>	
At the beginning of the year	25,102
Charge for the year	13,078
Impairment losses	-
Revaluation	(36,609)
At the end of the year	<u>1,571</u>
<b>Net Book Value</b>	
At 31 December 2009	<u>828,429</u>
At 31 December 2008	<u>674,890</u>
<b>Depreciable amount at 31 December 2009</b>	<u>830,000</u>
Depreciable amount at 31 December 2008	<u>699,992</u>

	2009 £	2008 £
<b>Revaluation</b>		
At 31 December - open market sale	<u>830,000</u>	<u>699,992</u>

The Bloomsbury Mansions was valued at 30 November 2009 by Knight Frank, Chartered Surveyors, as external valuers on the basis of open market sale. This was valued at £830,000. The valuations were carried out in accordance with the Appraisals and Valuation Standards issued by the Royal Institution of Chartered Surveyors.

**12 INVESTMENTS**

	1 January 2009 £	Additions £	Disposals/Repayments £	31 December 2009 £
Listed investments	13,018	-	(13,018)	-
Short term deposits	124,820	510	(5,228)	120,102
<b>Group undertakings</b>				
Shares	1,717,564,336	29,199,587	(29,788,822)	1,716,975,101
Loans	2,328,336,432	464,908,411	(862,347,756)	1,930,897,087
	<u>4,046,038,606</u>	<u>494,108,508</u>	<u>(892,154,824)</u>	<u>3,647,992,290</u>
Provision for diminution in value	(95,800,900)	-	19,400,744	(76,400,156)
	<u>3,950,237,706</u>	<u>494,108,508</u>	<u>(872,754,080)</u>	<u>3,571,592,134</u>

**BUPA INVESTMENTS LIMITED**

Registered number 902253

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 2009 - continued

**12 INVESTMENTS - continued****a) Listed Investments**

All listed investments are dealt on recognised stock exchanges and are summarised as follows

	2009	2008
	£	£
Equities UK - listed on the London Stock Exchange	-	13,018
	<u>-</u>	<u>13,018</u>

**b) Group Companies - Shares**

During the year the Company increased its investments in Bupa Health Assurance Limited by £19.5m

Also the Company disposed of Teddies Nurseries Limited recording a loss of £2.7m

	2009	2008
	£	£
At the beginning of the year	1,717,564,336	1,700,462,822
Additions	29,199,587	17,101,514
Disposals	(29,788,822)	-
At the end of the year	<u>1,716,975,101</u>	<u>1,717,564,336</u>
Provision for diminution in value	<u>(76,400,156)</u>	<u>(93,600,057)</u>
	<u>1,640,574,945</u>	<u>1,623,964,279</u>

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

**INTERNATIONAL**

Bupa International Limited (incorporated in Hong Kong)

Bupa Asia Pacific Pty Limited (preference shares) (incorporated in Australia)

Bupa Australia Healthcare Pty Limited (B Class Preference shares) (incorporated in Australia)

Bupa Egypt Insurance S A E (0.017%) (incorporated in Egypt)

Bupa Holdings Limited Partnership (Capital) (established in Australia)

Bupa (Asia) Limited (30.00%) (incorporated in Hong Kong)

**INSURANCE**

BM Leasing (1992) Limited

Bupa Health Assurance Limited

Bupa Trustees Limited

Bupa Travel Services Limited

Bupa Wellbeing Limited

**BUPA INVESTMENTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 2009 - continued

**12 INVESTMENTS - continued****GROUP**

Bupa Services Limited  
Bupa Secretaries Limited  
Idealoutcome Limited  
Independent Healthcare Limited (0 100%)  
Bupa Europe Limited  
Bupa Dunedin Hospital Limited  
Bupa Financial Investments Limited (0 025%)  
Bupa Gatwick Park Properties Limited  
Bupa Holdings (Jersey) Limited (ordinary shares and preference shares) (incorporated in Jersey)  
Bupa IT Services Limited  
Bupa Leasing (Dublin) Limited  
Bupa Media Purchasing Limited (incorporated in Guernsey - 99 999%)  
Bupa Treasury Limited  
Bupa Worldwide Media Services Limited (99 999%)  
BMSL Limited (99%)  
Bupa Properties (1995) Limited  
Bupa Limited  
Bupa Roding Hospital Limited  
Bupa Shop Limited  
Essex Street Investments Limited  
General Leasing Limited  
Outcome Technologies Limited  
Bupa Finance No 1 Limited (50%) and preference shares  
Bupa Finance (Jersey) Limited (preference shares) (incorporated in Jersey)  
K B Jackson & Son (Developments) Limited  
Marander Limited (A ordinary shares)  
Bupa Malta Investments No 1 Limited (incorporated in Gibraltar)  
Bupa Malta Investments No 2 Limited (incorporated in Gibraltar)  
Bupa Guernsey No 1 Limited (incorporated in Gibraltar)(Class A Shares)  
Bupa Construction Services Limited (99 999%)  
Bupa Developments Limited  
Bupa Hospital Edinburgh Limited  
Bupa Hospital Properties Limited  
Cardiff Medical Services Limited (99 999%)  
Bupa Finance No 2 Limited (50%)  
Bupa Holdings (Guernsey) Limited (0 005%) (incorporated in Guernsey)

**CARE SERVICES**

Country House Nursing Homes Limited (99 990%)  
BHS Leasing (1993) Limited  
Bupa Operational Services Limited  
Bupa Care Homes (BNH) Limited (0 637%)  
Care Homes Purchasing Limited  
Country House Homes Limited (50%)  
Country House Management Services Limited (0 143%)



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**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 December 2009 - continued**

**12 INVESTMENTS - continued**

**c) Group Companies Loans**

	2009	2008
	£	£
Loans to Group companies	1,930,897,087	2,328,336,432
Provision for doubtful debt	-	(2,200,843)
Carrying value at 31 December	<u>1,930,897,087</u>	<u>2,326,135,589</u>

**13 DEBTORS**

	2009	2008
	£	£
Shares held	90,725	90,000
Prepayments and accrued income	282,136	39,125
Amounts owed by group undertakings	224,103,359	818,549,168
Other debtors	3,553,279	3,553,279
Taxation and social security	22,916	58,685
	<u>228,052,415</u>	<u>822,290,257</u>

**14 CREDITORS**

	2009	2008
	£	£
<b>Amounts falling due within one year</b>		
Bank loans and overdrafts	-	1,183,099
Amounts owed to group undertakings	333,920,969	1,240,827,118
Other creditors	1,650,402	2,301,294
Other provisions	110,000	-
Taxation and social security	16,389,949	622,954
	<u>352,071,320</u>	<u>1,244,934,465</u>

Other provisions include an amount of £110,000 relating to the sale of Teddies Nurseries Limited

	2009	2008
	£	£
<b>Amounts falling due after more than one year</b>		
Accruals and deferred income	4,332,086	4,551,459
Amounts owed to group undertakings	3,134,102,366	3,208,135,194
Other provisions	200,000	-
	<u>3,138,634,452</u>	<u>3,212,686,653</u>

Other provisions falling due after more than one year include £200,000 relating to the sale of Teddies Nurseries Limited

**15 PROVISIONS FOR LIABILITIES AND CHARGES**

**Provisions for other risks and charges**

	2009	2008
	£	£
At beginning of year	612,873	494,822
Provided in year	57,836	118,051
At end of year	<u>670,709</u>	<u>612,873</u>

**Deferred taxation**

Deferred tax assets and liabilities are analysed as follows

	Provided 2009	Provided 2008
	£	£
Accelerated capital allowances	172,581	176,170
Other timing differences	498,128	436,703
	<u>670,709</u>	<u>612,873</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2009 - continued

**15 PROVISIONS FOR LIABILITIES AND CHARGES - cont**

The movement for the year in the net deferred tax provision/(asset) is as follows

	2009	2008
	£	£
At the beginning of the year	612,873	494,822
Deferred tax charge/(credit) for the year	57,836	118,051
At the end of the year	<u>670,709</u>	<u>612,873</u>

The net deferred tax provision/asset is included within other provisions/debtors

**16 SHARE CAPITAL**

	2009	2008
	£	£
<b>Authorised, allotted, called-up and fully paid</b>		
50,000 ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

**17 RESERVES**

	Property Revaluation	Profit and loss account	Total
	£	£	£
At the beginning of the year	-	315,260,349	315,260,349
Revaluation gain	166,616	-	166,616
Profit for the financial year	-	858,626	858,626
At the end of the year	<u>166,616</u>	<u>316,118,975</u>	<u>316,285,591</u>

**18 CONTINGENCIES**

The Company had the following interest rate swaps at 31 December 2009, that are held off-balance sheet as the Company has not adopted FRS 26

	Maturity date	Notional value	Fair value Asset/(Liability)
		£	£
Interest rate swap	15 September 2020	50,000,000	3,542,266
Interest rate swap	15 September 2020	200,000,000	14,357,804

The interest rate swaps are held to hedge the £330m subordinated bond in the Group, and any gains/losses on the swap will only be realised on maturity of the swap

**BUPA INVESTMENTS LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 December 2009 - continued**

**19 GUARANTEES & OTHER FINANCIAL COMMITMENTS IN FAVOUR OF OTHER UNDERTAKINGS  
IN THE SAME GROUP**

At 31 December 2009, the Company was a party to a £1.1 billion multi currency revolving credit facility.  
The Company has joint and several liability for all obligations under the agreements.

The Company has also given a guarantee in respect of a £350m bond issued by Bupa Finance Plc during the year.

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.