

BUPA INVESTMENTS LIMITED

(Registered number 902253)

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

31 DECEMBER 2017

Registered office:

**1 Angel Court
London
EC2R 7HJ**

SATURDAY



A72EXPW9

A07

24/03/2018

#172

COMPANIES HOUSE

Contents

	Page
Strategic report	1
Directors' report	2
Statement of Directors' responsibilities	4
Independent Auditor's report to the members of Bupa Investments Limited	5
Profit and loss account and other comprehensive income	7
Balance sheet	8
Statement in changes of equity	9
Notes to the financial statements	10

Strategic report

for the year ended 31 December 2017

The Directors present their Strategic Report for Bupa Investments Limited ("the Company") for the year ended 31 December 2017.

Business Review

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

The results of the Company show a loss before taxation of £2.9m (2016: £12.3m loss) and turnover excluding foreign exchange of £16.2m (2016: £18.7m). The driver of the £9.4m decrease in year on year losses is the £23.0m increase in foreign exchange income recognised in profit and loss, offset by a £10.7m impairment in 2017. The Company has net assets of £779.9m (2016: £786.4m).

Principal risks and uncertainties

The Company is subject to a number of uncertainties and risks. These risks and uncertainties include interest rate and foreign exchange rate fluctuations driven by external market influences, as well as the uncertainty of timing of cash generation and funding requirements within other Group companies. The Company's management determines that these risks and uncertainties are managed effectively where possible and are reviewed on a regular basis in line with Bupa Group policies.

Details of the Bupa Group's business risks and risk management processes are set out in Annual Report of the ultimate parent company, The British United Provident Association Limited ("Bupa"). The Bupa Group consists of Bupa and its direct and indirect subsidiary entities. No formal key performance indicators are used or monitored, however the Directors recognise the role of the Company and thus monitor performance with respect to the solvency of the Company, the underlying performance of the investments and therefore the valuation of the investments in the balance sheet.

Registered office:

1 Angel Court
London
EC2R 7HJ

5 March 2018

By Order of the Board



J Linton
Director

Directors' report

for the year ended 31 December 2017

The Directors present their annual report and the financial statements of the Company for the year ended 31 December 2017.

Principal activities

The principal activity of the Company for the year was that of an investment holding and intercompany funding company.

Dividends

The Directors do not recommend the payment of a dividend in respect of the year ended 31 December 2017 (2016: £nil).

Going concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

International Financial Reporting Standards and Financial Reporting Requirements

The ultimate parent undertaking, Bupa, has prepared group accounts in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"). The Company is not required to report under IFRS and therefore these accounts are prepared in accordance with applicable UK accounting standards. As the Company is a wholly owned subsidiary undertaking of Bupa, the Company qualifies for application of Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"), which has been adopted for these financial statements. FRS 101 uses the recognition and measurement bases of IFRS, while allowing exemptions from a number of disclosures required by full IFRS.

Directors

Details of the present Directors and any other persons who served as a Director during the year are set out below:

G M Evans
C A Richardson
M Potkins
J Linton

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.

Directors' report (continued)

for the year ended 31 December 2017

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 auditor is 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 auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Auditor

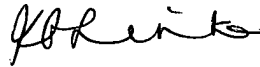
Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed reappointed and KPMG LLP will therefore continue in office.

Registered office:

1 Angel Court
London
EC2R 7HJ

5 March 2018

By Order of the Board



J Linton
Director

Statement of Directors' responsibilities in respect of the Strategic report, Directors' report and the financial statements

The Directors are responsible for preparing the Strategic Report, 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), including FRS 101 Reduced Disclosure Framework.

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 or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

Independent Auditor's report to the members of Bupa Investments Limited

We have audited the financial statements of Bupa Investments Limited ("the company") for the year ended 31 December 2017 which comprise the Profit and Loss Account, Statement of Other Comprehensive Income, Balance Sheet and Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

We have nothing to report in these respects.

Independent Auditor's report to the members of Bupa Investments Limited (continued)

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Philip Smart (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

5 March 2018

Profit and loss account for the year ended 31 December 2017

	Note	2017 £	2016 £
Income from investment activities	4	16,229,808	18,659,292
Interest payable and similar expenses	5	(9,247,902)	(36,160,750)
Provision for impairments against investments in subsidiaries	6	(10,704,251)	-
Administrative expenses	7	(368,091)	(69,556)
Operating loss		(4,090,436)	(17,571,014)
Other interest receivable and similar income	8	1,228,276	5,281,261
Loss before taxation		(2,862,160)	(12,289,753)
Tax on loss	9	(3,591,074)	1,758,824
Loss for the year		(6,453,234)	(10,530,929)

Operating profit is derived from continuing operations.

There were no material differences between reported profits and losses and historical profits and losses before and after taxation.

Other comprehensive income

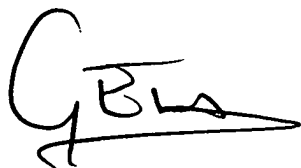
	2017 £	2016 £
Loss for the year	(6,453,234)	(10,530,929)
Total comprehensive income for the year	(6,453,234)	(10,530,929)

Balance sheet

as at 31 December 2017

	Note	2017 £	2016 £
Non-current assets			
Investments	11	1,718,971,589	1,692,424,644
Deferred tax asset	10	479,501	2,559,188
Intangible assets	12	5,175,983	-
		1,724,627,073	1,694,983,832
Current assets			
Debtors	13	99,037,813	2,203,781
Cash at bank and in hand		4,805	134,348
Derivative financial assets	16	438,376	439,885
		99,480,994	2,778,014
Current liabilities			
Creditors: amounts falling due within one year	14	(488,180,293)	(378,092,455)
Overdrafts		(28,571,283)	(12,876,505)
Derivative financial liabilities	16	(150,279)	(1,020,752)
		(516,901,855)	(391,989,712)
Total assets less current liabilities		1,307,206,212	1,305,772,134
Creditors: amounts falling due after more than one year	15	(527,304,437)	(519,417,125)
Net assets		779,901,775	786,355,009
Shareholder's funds			
Called up share capital	17	50,000	50,000
Profit and loss account	18	779,851,775	786,305,009
Shareholder's funds		779,901,775	786,355,009

These financial statements were approved by the Board of Directors on 5 March 2018 and were signed on its behalf by:



G M Evans
Director
Registered number: 902253

Statement of changes in equity for the year ended 31 December 2017

	Called up Share capital £	Profit and loss account £	Total equity £
Balance at 1 January 2017	50,000	786,305,009	786,355,009
Total comprehensive income for the year			
Profit or loss	-	(6,453,234)	(6,453,234)
Total comprehensive income for the year	-	(6,453,234)	(6,453,234)
Balance at 31 December 2017	50,000	779,851,775	779,901,775

	Called up Share capital £	Profit and loss account £	Total equity £
Balance at 1 January 2016	50,000	796,835,938	796,885,938
Total comprehensive income for the year			
Profit or loss	-	(10,530,929)	(10,530,929)
Total comprehensive income for the year	-	(10,530,929)	(10,530,929)
Balance at 31 December 2016	50,000	786,305,009	786,355,009

The notes on pages 10 to 22 form part of these financial statements

Notes to the financial statements for the year ended 31 December 2017

1. Accounting policies

The principal accounting policies are summarised below. They have been applied consistently throughout the year.

(a) Basis of preparation

The financial statements have been prepared on a going concern basis and under the historical cost convention, in accordance with applicable UK accounting standards.

The financial statements have been prepared in accordance with FRS 101 on a going concern basis.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of IFRSs as adopted by the EU, but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions have been taken.

The financial statements are presented in sterling, which is also the Company's functional currency.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- comparative period reconciliations for investments;
- disclosures in respect of transactions with wholly owned subsidiaries within the consolidated group;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRSs; and

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

As the consolidated financial statements of Bupa include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- The disclosures required by IFRS 7 and IFRS 13 regarding financial instrument disclosures have not been provided apart from those which are relevant for the financial instruments which are held at fair value and are not either held as part of trading portfolio or derivatives.

Notes to the financial statements (continued)

for the year ended 31 December 2017

(b) Going concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis, notwithstanding net current liabilities of £417.4m (2016: £389.2m).

The Company meets its day to day capital requirements through loan facilities provided by Bupa Finance plc and short term liquidity arrangements to and from Group companies.

(c) Exemption from consolidation

The Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its Group.

(d) 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 at the balance sheet date are reported at the rates of exchange prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for exchange differences for the translation of foreign operations, which are recognised in equity.

(e) Investment income

Dividends on equity investments are included, together with the related tax credit, in the profit and loss account on a cash basis which is not materially different from an ex-dividend basis; other investment income is recognised on an accruals basis.

(f) Financial instruments

IAS 32 (Financial instruments: presentation) and IAS 39 (Financial instruments: recognition and measurement) have been applied as noted below.

As the Company is a wholly owned subsidiary undertaking of Bupa, a company that prepares consolidated accounts that apply IFRS 7 (Financial Instruments: Disclosures), the Company is exempt from producing the disclosures in accordance with FRS 101.

Non-derivative financial instruments

Cash at bank and in hand

Cash comprises of cash in hand and deposits repayable on demand, less overdrafts payable on demand.

Interest bearing loans and borrowings

Interest-bearing loans borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Notes to the financial statements (continued)

for the year ended 31 December 2017

(f) Financial instruments (continued)

Non-derivative financial instruments (continued)

Investments in subsidiary undertakings

Investments in subsidiary undertakings are measured at cost less any provisions for impairment.

Intercompany loans

Intercompany loan investments are initially recognised at fair value and are subsequently recognised at amortised cost using the effective interest rate method less any provision for impairment.

A provision for impairment is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's net realisable value and value in use. Impairment losses are recognised in the profit and loss account.

For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash-generating units).

The carrying amounts of assets are reviewed at least annually. Where there is an indication that an impairment loss has decreased, any accumulated provision for impairment is reversed to reflect the carrying amount at the recoverable amount limited to the cost of the investment.

Other financial investments

Financial investments designated at fair value through profit and loss consist of investments or instruments where management makes decisions based upon their fair value.

The investments are carried at fair value, with gains and losses arising from changes in this value recognised in the Profit and Loss Account in the period in which they arise.

Derivative financial instruments

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in the profit or loss account when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised immediately in the profit and loss account.

(g) Taxation and deferred taxation

The taxation expense on the profit for the year comprises current and deferred taxation. Income taxation is recognised in the income statement except to the extent that it relates to items recognised directly in other comprehensive income, in which case it is recognised directly in the statement of comprehensive income.

Current taxation is the expected taxation payable on the taxable profit for the year, using taxation rates enacted or substantively enacted at the balance sheet date, and any adjustments to taxation payable in respect of previous years. Deferred taxation is recognised in full using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The amount of deferred taxation recognised is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using taxation rates enacted or substantively enacted at the balance sheet date.

Notes to the financial statements (continued)

for the year ended 31 December 2017

(g) Taxation and deferred taxation (continued)

Deferred taxation is recognised on temporary differences arising on investments in subsidiary companies, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred taxation asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Trading losses surrendered to other Bupa Group subsidiary undertakings are made on a full payment basis.

(h) Interest bearing borrowings

Immediately after issue, debt is stated at fair value of the consideration received after deduction of issue costs. The finance cost of the debt is allocated to periods over the term of the debt at a constant rate on the carrying amount.

(i) Intangibles

Intangibles are stated at cost less accumulated amortisation and impairment. Amortisation is charged to the income statement on a straight line basis. Intangibles are reviewed for impairment annually.

2. Immediate and ultimate parent company

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, with its registered office at 1 Angel Court, London, EC2R 7HJ.

The ultimate parent undertaking of the Company, and the largest group into which these financial statements are consolidated, is The British United Provident Association Limited (Bupa), with its registered office at 1 Angel Court, London, EC2R 7HJ.

Copies of the accounts of both companies can be obtained from The Registrar of Companies, Cardiff, CF14 3UZ.

Notes to the financial statements (continued)

for the year ended 31 December 2017

3. Staff costs and Directors' remuneration

The Company had no employees during the year and consequently incurred no staff costs during the current or preceding year.

	2017 £	2016 £
Emoluments	130,353	81,915
Company contributions to defined contribution pension scheme	606	1,167
Amounts receivable under long-term incentive schemes	24,378	13,758
	155,337	96,840

During the year there was one director who was a member of a Bupa defined contribution scheme (2016: one) and one who was a member of a Bupa defined benefit pension scheme (2016: one).

4. Income from investment activities

	2017 £	2016 £
Interest receivable from loans to Group undertakings	15,971,744	18,343,136
Other interest from investment activities	204,018	242,055
Investment management income	54,046	74,101
	16,229,808	18,659,292

5. Interest payable and similar expenses

	2017 £	2016 £
Interest payable on loans to Group undertakings	9,638,690	11,897,528
Bank charges and overdrafts	230,482	216,916
Other interest payable	-	1,631,046
Foreign Exchange (Gains)/losses	(621,270)	22,415,260
	9,247,902	36,160,750

6. Provision for impairments against investments in subsidiaries

	2017 £	2016 £
Bupa International Markets Limited	4,011,229	-
Bupa Occupational Health Limited	6,690,728	-
Other subsidiaries	2,294	-
	10,704,251	-

Notes to the financial statements (continued)

for the year ended 31 December 2017

7. Administrative expenses

	2017 £	2016 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	56,636	61,000
Other treasury costs	311,455	8,556
	368,091	69,556

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 auditor, KPMG LLP, 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, disclose non-audit fees on a consolidated basis.

Other treasury costs relate to investment management fees.

8. Other interest receivable and similar income

	2017 £	2016 £
Interest receivable on bank balances	1,228,276	2,266,209
Other interest income	-	3,015,052
	1,228,276	5,281,261

9. Tax on loss

(i) Recognised in the profit and loss account

	2017 £	2016 £
Current taxation income / (expense)		
UK taxation on (losses)/profits for the year	1,512,232	(2,490,618)
Adjustment in respect of prior years	(845)	(920)
Total current tax	1,511,387	(2,491,538)
Deferred taxation expense		
Origination and reversal of timing differences	2,013,291	512,559
Changes in taxation rates	0	180,693
Adjustments in respect of prior periods	66,396	39,462
Total deferred tax	2,079,687	732,714
Total tax on loss	3,591,074	(1,758,824)

Notes to the financial statements (continued)

for the year ended 31 December 2017

9. Tax on (loss) continued

(ii) Reconciliation of effective tax rate

The differences between the total current tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	2017 £	2016 £
Loss before taxation expense	(2,862,160)	(12,289,753)
Tax on loss on ordinary activities at the domestic UK corporation tax rate of 19.25% (2016: 20%)	(550,966)	(2,457,951)
Effects of:		
Non-deductible expenses	2,173,596	570,343
Non-taxable income	(110,399)	-
Current income taxation adjustments in respect of prior periods	(846)	(918)
Current deferred taxation adjustments in respect of prior periods	66,396	39,463
Changes in taxation rates	(66,394)	90,239
Capital losses utilised	2,079,687	-
Total current tax expense/(credit) for year	3,591,074	(1,758,824)

10. Deferred tax assets and liabilities

(i) Deferred tax assets and liabilities are attributable to the following:

	Assets 2017 £	2016 £	Liabilities 2017 £	2016 £	Net 2017 £	2016 £
Provisions		-	-	-		-
Tax value of loss carry-forwards	479,501	2,559,188	-	-	479,501	2,559,188
Net deferred tax assets / (liabilities)	479,501	2,559,188	-	-	479,501	2,559,188

As at 31 December 2017, the Company had deductible temporary differences relating to capital losses of £4,629,047 (2016: £4,629,047) for which no deferred taxation asset was recognised due to uncertainty of utilisation of those temporary differences.

(ii) Movement in deferred tax during the year

	1 January 2017 £	Recognised in income £	Recognised in equity £	31 December 2017 £
Tax value of loss carry-forwards utilised	2,559,188	(2,079,687)	-	479,501
Net deferred tax asset / (liabilities)	2,559,188	(2,079,687)	-	479,501

Notes to the financial statements (continued)

for the year ended 31 December 2017

10. Deferred tax assets and liabilities (continued)

(iii) Movement in deferred tax during the prior year

	1 January 2016 £	Recognised in income £	Recognised in equity £	31 December 2016 £
Provisions	582,173	(582,173)	-	-
Tax value of loss carry-forwards utilised	2,709,729	(150,541)	-	2,559,188
Net deferred tax assets / (liabilities)	3,291,902	(732,714)	-	2,559,188

11. Investments

	Subsidiary undertakings £	Loans to Group undertakings £	Other financial investments £	Total £
Cost at 1 January 2017	1,378,875,766	1,346,893,924	-	2,725,769,690
Additions	2,098,299	15,944,193	21,231,804	39,274,296
Disposals/ Repayments	-	(342,589)	-	(342,589)
Foreign exchange gain/(loss)	-	-	(1,680,511)	(1,680,511)
Cost at 31 December 2017	1,380,974,065	1,362,495,528	19,551,293	2,763,020,886
Provisions at 1 January 2017	(1,033,345,046)	-	-	(1,033,345,046)
Provisions for impairment	(10,704,251)	-	-	(10,704,251)
Provisions at 31 December 2017	(1,044,049,297)	-	-	(1,044,049,297)
Net book value				
At 1 January 2017	345,530,720	1,346,893,924	-	1,692,424,644
At 31 December 2017	336,924,768	1,362,495,528	19,551,293	1,718,971,589

The Company has invested £19,551,293 (USD \$26,091,000) in other financial investments in the year. £18,485,638 relates to 5.91% of equity investments in HealthTap Inc. and the remaining relates to investment in Blue Cross Blue Shield Venture Partners III, LLC. These financial investments are designated at fair value through profit and loss.

12. Intangible Assets

	2017 £	2016 £
At beginning of year	-	-
Additions	5,175,983	-
At end of year	5,175,983	-

Intangible assets of £5,175,983 relate to licence costs attributable to an agreement entered into with HealthTap Inc. in December 2017. The licence fee will be amortised over the 5 year licence period. The asset was not available for use in 2017 and thus no amortisation was charged.

Notes to the financial statements (continued)

for the year ended 31 December 2017

13. Debtors

Amounts falling due within one year:

	2017	2016
	£	£
Amounts owed by Group undertakings	97,993,298	2,176,443
Withholding tax receivable	27,338	27,338
Other debtors	1,017,177	-
	99,037,813	2,203,781

14. Creditors – amounts falling due within one year

	2017	2016
	£	£
Accruals and deferred income	56,636	61,000
Corporation tax	45,843,870	(4,730,967)
Amounts owed to Group undertakings	437,103,804	382,762,422
Other creditors	5,175,983	-
	488,180,293	378,092,455

15. Creditors – amounts falling due after more than one year

	2017	2016
	£	£
Amounts owed to Group undertakings	527,304,437	519,417,125
	527,304,437	519,417,125

16. Derivative financial instruments

All derivative financial instruments are held at fair value through profit or loss, and therefore the carrying value is equal to the fair value.

	2017	2016
	£	£
Derivative financial assets	438,376	439,885
Derivative financial liabilities	(150,279)	(1,020,752)
	288,097	(580,867)

Changes in value of derivative financial instruments at fair value

(Loss) for the year has been arrived at after charging/(crediting):

Derivative financial assets	(1,509)	3,946,769
Derivative financial liabilities	870,484	(1,450,895)

Notes to the financial statements (continued)

for the year ended 31 December 2017

16. Derivative financial instruments (continued)

Valuation techniques and assumptions applied for the purposes of measuring fair value

Fair value is a market-based measurement for assets for observable market transactions where market information might be available. The objective of a fair value measurement is to estimate the price at which an orderly transaction to sell the asset or to transfer the asset would take place between market participants at the measurement date under current market conditions (i.e. an exit price at the measurement date from the perspective of a market participant that holds the asset).

Fair values disclosed in the table above have been calculated as follows:

Derivatives that have been purchased or issued as part of a hedge that subsequently does not qualify for hedge accounting are accounted for at fair value through profit and loss.

Derivative financial instruments are initially recognised and subsequently measured at fair value.

Fair values are obtained from market observable pricing information including interest rate yield curves. The value of foreign exchange forward contracts and swaps is established using listed market prices.

17. Called up share capital

	2017 £	2016 £
Allotted, called up and fully paid		
50,000 ordinary shares of £1 each	50,000	50,000

18. Reserves

	Profit and loss account 2017 £
At beginning of year	786,305,009
Loss for the year	(6,453,234)
At end of year	779,851,775

19. Guarantees, contingent liabilities and other financial commitments

(i) Contingent liabilities

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

(ii) Guarantees

The Company has given a guarantee and other undertakings, as part of the Group cash pooling arrangements. The cash pooling was in a net asset position at the end of 2017.

20. Subsequent events

There were no subsequent events.

Notes to the financial statements (continued)

for the year ended 31 December 2017

21. Related undertakings

In accordance with Section 409 of the Companies Act 2006 and Schedule 4 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, a full list of related undertakings, registered office address and the percentage of each share class owned, as at 31 December 2017 are disclosed below.

(i) Related undertakings directly held by the Company

The related undertakings listed below are directly held by the Company.

Name of Undertaking	Registered office address	Share class held	% held
Amedex Insurance Company (Bermuda) Limited	Crawford House, 4th Floor, 50 Cedar Avenue, Hamilton, HM11, Bermuda	BMD1.00 Ordinary	70
Bupa Europe Limited	1 Angel Court, London, EC2R 7HJ, United Kingdom	£1.00 Ordinary	100
Bupa Holdings (Jersey) Limited	13 Castle Street, St Helier, JE4 5UT, Jersey	NZD Ordinary	100
Bupa International Limited	18/F Berkshire House, 25 Westlands Road, Quarry Bay, Hong Kong	HKD1.00 Ordinary	99.999999
Bupa International Markets Limited	1 Angel Court, London, EC2R 7HJ, United Kingdom	£1.00 Ordinary	100
Bupa Limited	1 Angel Court, London, EC2R 7HJ, United Kingdom	£1.00 Ordinary	100
Bupa Malta Investments No. 1 Limited	5-9 Main Street, Gibraltar	£1.00 Ordinary	100
Bupa Malta Investments No. 2 Limited	5-9 Main Street, Gibraltar	£1.00 Ordinary	100
Bupa Occupational Health Limited	1 Angel Court, London, EC2R 7HJ, United Kingdom	£1.00 Ordinary	100
Bupa Secretaries Limited	1 Angel Court, London, EC2R 7HJ, United Kingdom	£1.00 Ordinary	100
Bupa Trustees Limited	1 Angel Court, London, EC2R 7HJ, United Kingdom	£1.00 Ordinary	100
Calverguild Limited	1 Angel Court, London, EC2R 7HJ, United Kingdom	£1.00 Ordinary	100
Ebbgate Nursing Homes (London) Limited	1 Angel Court, London, EC2R 7HJ, United Kingdom	£1.00 Ordinary-A	100
Ebbgate Nursing Homes Limited	1 Angel Court, London, EC2R 7HJ, United Kingdom	£1.00 Ordinary	100

Notes to the financial statements (continued)

for the year ended 31 December 2017

21. Related undertakings (continued)

(ii) Related undertakings indirectly held by the Company

The related undertakings listed below are 100% indirectly held by the Company, with their registered office at 1 Angel Court, London, EC2R 7HJ, United Kingdom.

Name of Undertaking	Share class held	Name of Undertaking	Share class held
Andrew Greenwood Ltd	£1.00 Ordinary	Occupational Health Care Limited	£1.00 Ordinary £1.00 Redeemable Preference
Aqua Dental Spa Limited	£1.00 Ordinary	Paul Coulthard Ltd	£1.00 Ordinary
Bupa Dental Services Limited	£1.00 Ordinary	Perlan Limited	£1.00 Ordinary
Bupa Health at Work Limited	£1.00 Ordinary	Personal Effectiveness Centre Limited	£1.00 Ordinary
Cranbrook Dental Practice Limited	£1.00 Ordinary	Stephen E B Jones Ltd	£1.00 Ordinary
David Row Limited	£1.00 Ordinary	Store Dental Care Limited	£1.00 Ordinary
In Store Dental Limited	£1.00 Ordinary	The Smile Centres Limited	£1.00 Ordinary
K R Postlethwaite Ltd	£1.00 Ordinary	Ultimate Smile Spa Ltd	£1.00 Ordinary
Lab 53 Limited	£1.00 Ordinary		

The related undertakings below are effectively held less than 100% by the Company. Actual % holdings are disclosed.

Name of Undertaking	Registered office address	Share class held	% held
Allied Medical Practices Guild Limited	3rd Floor, Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong	HKD1.00 Ordinary	100
Alpha Medical MRI (TST) Limited	3rd Floor, Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong	HKD10,000.00 Ordinary	65
Altai Investments Limited	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	HKD1.00 Ordinary	100
Berkshire Group Limited	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	USD1.00 Ordinary	100
Bupa (Asia) Limited ¹	18/F Berkshire House, 25 Westlands Road, Quarry Bay, Hong Kong	HKD10.00 Ordinary	100
Bupa Consulting (Beijing) Co. Ltd.	Room 1005, 10th Floor, No. 69, Dongfang Road, Pudong New Area, Shanghai, China	HKD1.00 Ordinary	100
Bupa Limited	18/F Berkshire House, 25 Westlands Road, Quarry Bay, Hong Kong	HKD1.00 Ordinary	100
Case Specialist Limited	3rd Floor, Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong	HKD1.00 Ordinary	100
Central Medical Diagnostic Centre Limited	3rd Floor, Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong	HKD1.00 Ordinary	70
Central MRI Centre Limited	3rd Floor, Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong	HKD1.00 Ordinary	100
Central PET/CT Scan Centre Limited	3rd Floor, Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong	HKD1.00 Ordinary	100
DB Health Services Limited	3rd Floor, Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong	HKD1.00 Ordinary	100
Dynamic People Group Limited	PO Box 957, Offshore Incorporations, Centre, Road Town, Tortola, British Virgin Islands	USD1.00 Ordinary	100
Great Option Limited	3rd Floor, Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong	HKD1.00 Ordinary	100
Guangzhou Bupa Hospital Management Company Limited	Unit 03, 13/F, No.604 RenMin North Road, Yuexiu District, Guangzhou, China	CNY1.00 Ordinary	100

¹ 30% held directly by the Company.

Notes to the financial statements (continued)
for the year ended 31 December 2017

21. Related undertakings (continued)

(ii) Related undertakings indirectly held by the Company (continued)

The related undertakings below are effectively held less than 100% by the Company. Actual % holdings are disclosed.

Name of Undertaking	Registered office address	Share class held	% held
Guangzhou Bupa Quality HealthCare General Outpatient Department Company Limited	Unit 305A -305, 3/F, GT Land Autumn Plaza, No.11, 13 Zhuliang East Road, Zhuliang New Town, Tianhe District, Guangdong Province, China	CNY1.00 Ordinary	100
Jadeeast Limited	3rd Floor, Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong	HKD1.00 Ordinary	100
Jadefairs International Limited	3rd Floor, Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong	HKD1.00 Ordinary	100
Jadison Investment Limited	3rd Floor, Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong	HKD1.00 Ordinary	100
Jadway International Limited	3rd Floor, Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong	HKD1.00 Ordinary	100
Marvellous Way Limited	3rd Floor, Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong	HKD1.00 Ordinary	100
Megafaith International Limited	3rd Floor, Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong	HKD1.00 Ordinary	100
Nazer Bupa Medical Equipment Company Limited	Prince Sultan St, Al Mohammediyah Dist., PO Box 260, Jeddah, 21411, Saudi Arabia	SAR1,000.00 Ordinary	50
Quality EAP (Macau) Limited	Rua De Xangai No. 175 Edif., Associacao Comercial De Macau, 11 Andar, K, Macau	MOP1.00 Ordinary	100
Quality HealthCare Dental Services Limited	3rd Floor, Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong	HKD1.00 Ordinary	100
Quality HealthCare Medical Centre Limited	3rd Floor, Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong	HKD100.00 Ordinary	100
Quality Healthcare Medical Services (Macau) Limited	Rua De Xangai No. 175 Edif., Associacao Comercial De Macau, 11 Andar, K, Macau	MOP1.00 Ordinary	100
Quality HealthCare Medical Services Limited	3rd Floor, Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong	HKD1.00 Ordinary	100
Quality HealthCare Nursing Agency Limited	3rd Floor, Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong	HKD10.00 Ordinary	100
Quality HealthCare Physiotherapy Services Limited	3rd Floor, Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong	HKD1.00 Ordinary	100
Quality HealthCare Professional Services Limited	3rd Floor, Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong	HKD1.00 Ordinary	100
Quality HealthCare Psychological Services Limited	3rd Floor, Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong	HKD1.00 Ordinary	100
Quality Healthcare TPA Services Limited	3rd Floor, Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong	HKD1.00 Ordinary	100