

**THE BUPA FOUNDATION**

**(Registered No. 1414385)**

**(Limited by guarantee and registered as a Charity)**

**GOVERNORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 1996**



# **THE BUPA FOUNDATION**

## **REPORT OF THE GOVERNORS**

### **FOR THE YEAR ENDED 31 DECEMBER 1996**

#### **Governing Instrument**

The Company is registered as a charity, No.277598.

It is constituted as a company limited by guarantee, No.1414385, under the Memorandum and Articles of Association of the Company adopted on 12th February 1979 and amended by Special Resolution on 12th April 1996.

#### **Objects**

The current objects ("the Objects") are contained in the Memorandum of Association adopted by Special Resolution on 12th April 1996 which states that they are:

"To prevent, relieve and cure sickness, ill-health and infirmity of every kind (including physical injuries) and to preserve and safeguard health by conducting and commissioning research (the results of such research to be disseminated to the public) for the purpose of the preservation and safeguarding of health and in addition by the award of grants to individuals to undertake such research in furtherance of the Objects"

#### **Board of Governors**

The Board of Governors are empowered by the Articles of Association of the Company to act as the Board of Directors of The BUPA Foundation. Whilst BUPA has the right to appoint up to two thirds of the Governors, in practise Governors are appointed by the Board as a whole. The Company has no employees and its administrative functions are undertaken by BUPA at no charge to the Company.

The Governors during the year were:

Professor Sir Michael J Peckham (Appointed 18/09/96) (Chairman)

Dr D W Costain (Appointed 18/09/96)

Professor A M Coulter

Dr J Evans (Appointed 18/09/96)

R J Heald (Appointed 21/11/96)

R F Hymas

F A Kee

Dr H Thelwall-Jones (Resigned 08/05/96)

Dr N J Macdonald (Resigned 18/09/96)

Air Vice-Marshal R A Riseley-Prichard (Resigned 18/09/96)

Professor G R Thompson (Appointed 08/05/96)

Dr A J Vallance-Owen

Professor M P Vessey CBE, (Resigned 18/09/96)

Dr V J Warren (Appointed 21/11/96)

Professor P A Poole-Wilson (Appointed 18/09/96)

There were no Governors' interests requiring disclosure under the Companies Act 1985.

# **THE BUPA FOUNDATION**

## **REPORT OF THE GOVERNORS**

### **FOR THE YEAR ENDED 31 DECEMBER 1996**

#### **Operating Review**

The BUPA Medical Foundation Limited changed its name to The BUPA Foundation on 26 April 1996. On 25 March 1996, the Charity Commission approved the Company's merger plans with BUPA Medical Research & Development Limited and with effect from this date, that company's entire assets, liabilities and obligations have been merged with The BUPA Foundation. The merger has been accounted for in compliance with FRS 6 "Accounting for Acquisitions and Mergers".

The BUPA Foundation continued its policy of donating grants to relevant research bodies, and during 1996 granted £311,616 to 15 different projects. The annual Research awards ceremony was totally revised to include the Communication Award, previously presented by BUPA, and a new Epidemiology Award. The total value of the awards was increased to a total of £30,000 from £20,000 in 1995.

#### **Review of financial position**

The Foundation has adopted the recommendations as advocated in the Statement of Recommended Practice for the Accounting by Charities issued in October 1995. As a result the Annual Report and Financial Statements have significantly changed this year. A new accounting structure highlights the charities activities and details the resources available and how they were applied.

The surplus for the year amounted to £4,835 (1995 - deficit £90,458).

The income and expenditure were broadly in line with budget and the Company is well placed to meet its future commitments as listed in in Note 9 of the Financial Statements. The Company is dependent upon Gift Aid from BUPA as its primary source of income.

The Company's primary asset is the loan with BUPA Investments Limited. It is a money market investment and is deemed secure.

#### **Principal address:**

BUPA House  
15-19 Bloomsbury Way  
London WC1A 2BA

#### **Auditors:**

KPMG  
8 Salisbury Square  
London EC4Y 8BB

#### **Bankers:**

Midland Bank plc  
City of London Corporate Office  
P O Box 125  
27 - 32 Poultry  
London EC2P 2BX

NatWest Bank plc  
PO Box 10720  
217 Strand  
London WC2R 1AL

**REPORT OF THE GOVERNORS**

**FOR THE YEAR ENDED 31 DECEMBER 1996**

**Auditors**

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG 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  
22 May 1997

By order of the Board



F A Kee  
Governor

## STATEMENT OF GOVERNORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The following statement, which should be read in conjunction with the auditors' report set out on page 5, is made for the purpose of clarifying the respective responsibilities of the Governors and the auditors in the preparation of the financial statements.

Company law requires the Governors 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 surplus or deficit of the Company for that period. In preparing those financial statements, the Governors 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 Governors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the Financial Statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

# THE BUPA FOUNDATION

## REPORT OF THE AUDITORS

We have audited the Financial Statements set out on pages 6 to 14.

### Respective responsibilities of Governors and Auditors

As described on page 4, the Company's Governors 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 Governors 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 affairs of the Company at 31 December 1996 and of the excess of income over expenditure for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

London  
22nd May 1997



KPMG  
Chartered Accountants  
Registered Auditors

**THE BUPA FOUNDATION**  
**(Limited by guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 1996**

	Note	1996 £	As restated 1995 £
Income and Expenditure			
<b>Incoming Resources</b>			
Gift Aid		332,998	333,333
Donations		6,021	6,749
Investment Income		28,026	37,799
<b>Total Incoming Resources</b>		<b>367,045</b>	<b>377,881</b>
 <b>Resources Expended</b>			
Direct charitable expenditure :			
Grants	2	311,616	444,506
Awards costs		30,000	18,274
Other expenditure :			
Management and administration of the charity	3	20,594	5,559
<b>Total Resources Expended</b>		<b>362,210</b>	<b>468,339</b>
 <b>Net Incoming/(Outgoing) Resources for the Year</b>		<b>4,835</b>	<b>(90,458)</b>
 Other recognised gains and losses			-
 <b>Net Movement in Funds</b>	1	<b>4,835</b>	<b>(90,458)</b>
 Balances brought forward at 1 January 1996		404,297	494,755
 <b>Balances carried forward at 31 December 1996</b>		<b>409,132</b>	<b>404,297</b>

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

There were no material differences between reported surpluses and deficits and historical surpluses and deficits on ordinary activities.

The notes on pages 8 to 14 form part of these financial statements.

**THE BUPA FOUNDATION**

**(Limited by guarantee)**

**BALANCE SHEET AS AT 31 DECEMBER 1996**

	<i>Note</i>	1996 £	£	As restated 1995 £	£
<b>Fixed assets</b>					
Investments	4		34		34
<b>Current assets</b>					
Debtors	5	2,853		21,688	
Investments	6	407,580		446,023	
Cash in hand and at bank		4,665		5,958	
		<u>415,098</u>		<u>473,669</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(6,000)</u>		<u>(69,406)</u>	
<b>Net current assets</b>			<u>409,098</u>		<u>404,263</u>
<b>Total assets less current liabilities</b>			<u><u>409,132</u></u>		<u><u>404,297</u></u>
<b>Capital and reserves</b>					
Accumulated fund	8		<u><u>409,132</u></u>		<u><u>404,297</u></u>

These financial statements were approved by the Board of Governors on 22nd May 1997 and were signed on its behalf by

F A Kee



Governor

The accounting policies and notes on pages 8 to 14 form part of these Financial Statements



# **THE BUPA FOUNDATION**

## **STATEMENT OF ACCOUNTING POLICIES**

### **FOR THE YEAR ENDED 31 DECEMBER 1996**

**(a) Status of the company**

The Company is limited by guarantee and does not have a share capital. The maximum liability of each member is £1. The Company is a registered charity and as such is exempt from the Income and Corporation Taxes Act 1988.

**(b) Basis of preparation**

The financial statements have been prepared in accordance with applicable Accounting Standards and under the historical cost convention. During the year the Statement of Recommended Practice ("SORP") for Accounting by Charities issued in October 1995 was adopted. Some values presented in relation to the year ended 30 September 1995 have been restated in order to reflect accounting disclosures required by the SORP.

**(c) Cash flow statement**

Under Financial Reporting Standard No 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

**(d) Incoming resources**

Income represents the total amount earned by the Company in the ordinary course of business. Investment income includes interest accounted for on an accruals basis. Covenants, donations, and other income are accounted for on a received basis.

**(e) Resources expended**

Direct charitable expenditure relates to the provision of finance for the prevention, relief and cure of sickness and ill-health in accordance with the Company's charitable objectives.

**(f) Investments**

Investments are stated in the balance sheet at their market value as at the balance sheet date. All movements in value arising from investment changes or revaluations during the year are shown in the Statement of financial activities.

# THE BUPA FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Merger Adjustment

On the 25th March 1996 the Charity Commission approved the Company's merger plans with BUPA Medical Research & Development Limited and with effect from 25th March 1996 merger accounting has been adopted. The impact on the financial statements is set out below:

#### a) Year ended 31 December 1996

	The BUPA Medical Foundation Ltd 1/1/96 to 25/3/96 £	BUPA Medical Research & Development Ltd 1/1/96 to 25/3/96 £	The BUPA Foundation 26/3/96 to 31/12/96 £	The BUPA Foundation 1/1/96 to 31/12/96 £
Income and Expenditure				
<b>Incoming Resources</b>				
Gift Aid	332,998	-	-	332,998
Donations	-	389	5,632	6,021
Investment Income	5,369	3,047	19,610	28,026
<b>Total Incoming Resources</b>	<b>338,367</b>	<b>3,436</b>	<b>25,242</b>	<b>367,045</b>
<b>Resources Expended</b>				
Direct charitable expenditure :				
Grants	81,556	82,761	147,299	311,616
Awards costs	-	-	30,000	30,000
Other expenditure :	-	-	-	-
Management and administration of the charity	1,940	-	18,654	20,594
<b>Total Resources Expended</b>	<b>83,496</b>	<b>82,761</b>	<b>195,953</b>	<b>362,210</b>
<b>Net Incoming/(Outgoing) Resources for the Year</b>	<b>254,871</b>	<b>(79,325)</b>	<b>(170,711)</b>	<b>4,835</b>
Other recognised gains and losses	-	-	-	-
<b>Net Movement in Funds</b>	<b>254,871</b>	<b>(79,325)</b>	<b>(170,711)</b>	<b>4,835</b>
Balances brought forward at 1 January 1996	212,944	191,353	-	404,297
<b>Balances carried forward at 31 December 1996</b>	<b>467,815</b>	<b>112,028</b>	<b>(170,711)</b>	<b>409,132</b>

# THE BUPA FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### b) Year ended 31 December 1995

	The BUPA Medical Foundation Ltd 1/1/95 to 31/12/95	BUPA Medical Research & Development Ltd 1/1/95 to 31/12/95	As restated 1/1/95 to 31/12/95
Income and Expenditure	£	£	£
<b>Incoming Resources</b>			
Gift Aid	333,333	-	333,333
Donations	5,140	1,609	6,749
Investment Income	22,570	15,229	37,799
<b>Total Incoming Resources</b>	<b>361,043</b>	<b>16,838</b>	<b>377,881</b>
<b>Resources Expended</b>			
Direct charitable expenditure :			
Grants	339,541	104,965	444,506
Awards costs	18,274	-	18,274
Other expenditure :	-	-	-
Management and administration of the charity	2,899	2,660	5,559
<b>Total Resources Expended</b>	<b>360,714</b>	<b>107,625</b>	<b>468,339</b>
<b>Net Incoming/(Outgoing) Resources for the Year</b>	<b>329</b>	<b>(90,787)</b>	<b>(90,458)</b>
Other recognised gains and losses	-	-	-
<b>Net Movement in Funds</b>	<b>329</b>	<b>(90,787)</b>	<b>(90,458)</b>
Balances brought forward at 1 January 1995	212,615	282,140	494,755
<b>Balances carried forward at 31 December 1995</b>	<b>212,944</b>	<b>191,353</b>	<b>404,297</b>

### c) Merger details

There was no consideration given by or received by either party to the merger.

The aggregate book values of the net assets of each party to the merger at the date of the merger are as follows:

	25 March 1996 £	31 December 1995 £
The BUPA Medical Foundation	467,778	212,944
BUPA Medical Research & Development Limited	112,029	191,353
	<u>579,807</u>	<u>404,297</u>

No significant accounting adjustments were required as the accounting policies of both The BUPA Medical Foundation Limited and BUPA Medical Research and Development Limited were consistent.

## THE BUPA FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS - continued

#### **2. Grants**

	1996	As restated 1995
	£	£
University of Wales (Dr L D Nokes)	4,500	
Applied Statistics Research Unit Limited (Mrs J Gowan-Moore)	6,000	
University of Oxford - Department of Paediatrics (Dr A Balen)	34,956	
The United Medical & Dental Schools of Guy's & St Thomas's Hospital (Dr J C Pickup)	36,100	
University of Strathclyde (Dr V A Ferro)	26,856	25,631
RFHSM-ZM37 (Dr A L Magos)	5,881	
University of Wales College of Medicine (Prof J P Shepherd)	10,178	9,718
Birth Defects Foundation	7,500	7,500
Crohn's in Childhood Research Association	5,255	5,255
University of Leicester (Dr C O'Callaghan)	47,997	
University of Leicester (Dr B Williams)		11,000
Yorkhill Sick Children Fund (Prof G Dutton)	4,792	
Salford Hospital NHS Trust (Mr E R Ross)	7,550	7,550
Rheumatology Research (Dr J Dixey)	8,698	
Glasgow Caledonian University (Dr R Fulton)	22,592	
St Bartholomew's Hospital (Prof N J Wald)	82,761	79,967
Institute of Child Health (Dr P Scambler)		13,950
University of Birmingham (Dr J Franklyn)		21,808
The Cardiac Discretionary Fund (Dr M Rothman)		25,050
Restoration of Appearance and Function Trust		5,500
Minimally Invasive Therapy Unit & Endoscopy Training Centre (Dr A L Magos)		17,461
University of Glasgow (Dr S Moira-Brown)		16,380
University College London (Prof Latchman)		35,068
University College London (Mr T C Holme)		23,504
International Spinal Research Trust		20,000
TWHA Haematology Research Fund (Dr C G Taylor)		7,961
The Vaccine Research Trust (Dr G R B Skinner)		17,000
The Hatter Institute for Cardiovascular Studies (Prof Yellon)		8,750
Kings' Medical Research Trust (Mrs S Farmer)		24,933
University of Manchester (Mr N Bundred)		20,520
Royal Marsden Hospital (Prof M Baum)		15,000
Heli-cobacter Pylori Pilot Study		25,000
	<hr/>	<hr/>
	311,616	444,506

# **THE BUPA FOUNDATION**

## **NOTES TO THE FINANCIAL STATEMENTS - continued**

### **3. Management and Administration of the Charity**

		As restated
The surplus/(deficit) for the financial year is stated after charging	1996	1995
	£	£
Auditors' Remuneration		
Audit	6,000	3,784

The Company does not have any employees as its administrative function is undertaken by BUPA at no charge to the Company.

Governors were reimbursed expenses of £647 during the year.

No governors received emoluments during the year (1995 : £Nil).

### **4. Fixed Assets**

		As restated
	1996	1995
	£	£
Investments	34	34

This investment represents a holding of the total allotted preference share capital in BUPA Europe Limited, a company incorporated in the United Kingdom. The holding comprises 34, £1 cumulative floating rate convertible non-voting preference shares.

### **5. Debtors**

		As restated
	1996	1995
	£	£
Amounts falling due within one year:		
Other debtors	2,853	21,688

### **6. Investments**

		As restated
	1996	1995
	£	£
Short term deposit with BUPA Investments Limited	407,580	446,023

# THE BUPA FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS - continued

### 7. Creditors

	1996	As restated 1995
	£	£
<b>Amounts falling due within one year :</b>		
Amounts owed to BUPA Hospitals Limited	-	12,732
Bank overdraft	-	53,036
Other creditors	6,000	3,638
	<u>6,000</u>	<u>69,406</u>

### 8. Movement in Shareholders' Funds

	Income and expenditure account	Income and expenditure account As restated
	1996	1995
	£	£
At 1 January 1996	212,944	494,755
Merger Adjustment - comprises Net Assets of BUPA Medical Research & Development Ltd as at 1 January 1996	<u>191,353</u>	<u>-</u>
	404,297	494,755
Retained surplus for the year	<u>4,835</u>	<u>(90,458)</u>
At 31 December 1996	<u>409,132</u>	<u>404,297</u>

# THE BUPA FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS - continued

### 9. Future Commitments

	Up to 1 year	Between 2-5 years
	£	£
Action Research Trust	31,722	
Kings Medical Research Trust	19,587	20,131
University College London (Dr E Murray)	55,089	38,880
University College London (Mr T C Holme)	11,760	
University of Manchester (Mr N Bundred)	19,944	
University of Oxford (Mr S Kennedy)	24,326	
UMDS Radiological Sciences (Prof Maisey)	34,400	31,900
Queen's Medical School (Prof Barber)	32,500	28,500
University of Oxford - Dept of Paediatrics (Dr A Balen)	15,893	
United Medical & Dental Schools of Guys and St. Thomas' Hospitals (Dr J C Pickup)	36,454	
St Bartholomew's Hospital (Prof N J Wald)	87,815	175,630
Crohns in Childhood	5,255	
University of Wales (Prof J P Shepherd)	10,662	
Salford Hospital NHS Trust (Mr E R S Ross)	7,550	
University of Leicester (Dr C L P O'Callaghan)	28,343	30,100
Rheumatology Research (Dr J Dixey)	9,058	9,440
University of Oxford (Mr S Kennedy)		54,312
	<u>430,358</u>	<u>388,893</u>