

BUPA TREASURY LIMITED

(Registered number 1419145)

**Directors' report and financial statements
for the year ended**

31 December 2015



Registered office:

**Bupa House
15 – 19 Bloomsbury Way
London
WC1A 2BA**

Contents

	Page
Strategic report	1
Directors' report	2
Directors' responsibilities statement	4
Independent auditor's report to the shareholders of Bupa Treasury Limited	5
Profit and loss account	7
Balance sheet	8
Statement of changes in equity	9
Accounting policies	10
Notes to the financial statements	13

Strategic report

The Directors consider the performance of Bupa Treasury Limited (the Company) during the year to be satisfactory.

Results

The profit for the year, before taxation, amounted to £1.2m (2014: £35.6m). The Company has net assets of £54.8m (2014: £54.1m).

On 4 February 2015, the Company entered into a joint venture agreement with Nazer Group Holding Company Ltd, a limited liability company incorporated in Saudi Arabia, and established the Nazer Bupa Medical Equipment Company Limited on 2 March 2015.

Principal risks and uncertainties

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 Bupa Group companies. Management believes 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 Bupa Group's business risks and risk management processes are set out in the ultimate parent company's annual report. The Bupa Group consists of The British United Provident Association Limited (Bupa) and its subsidiaries and holding companies or subsidiaries of such holding companies. No formal KPIs 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:

By Order of the Board

Bupa House
15-19 Bloomsbury Way
London
WC1A 2BA



4 April 2016

D M Fletcher
Director

Directors' Report

for the year ended 31 December 2015

The Directors present their annual report and the financial statements of the Company for the year ended 31 December 2015.

Principal activity

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

Dividends

During the year, the Company declared and paid dividends of £nil (2014: £977.7m).

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.

Further details regarding adoption of the going concern basis can be found in the accounting policies of the financial statements.

International Financial Reporting Standards

The ultimate parent undertaking, Bupa, has prepared group accounts in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The Company is not required to report under IFRS and therefore these accounts are prepared in accordance with applicable UK accounting standards.

FRS 101 uses the recognition and measurement bases of IFRS, while allowing exemptions from a number of disclosures required by full IFRS. Adoption of FRS 101 has not had a material impact on the Company.

Directors

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

E B Bourke

D M Fletcher (Appointed 21 August 2015)

T M Heggie (Resigned 8 December 2015)

P R Newton (Resigned 21 August 2015)

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 2015

Political and charitable contributions

The Company made no political or charitable donations nor incurred any political expenditure during the year (2014: £nil).

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.

Forthcoming financial reporting requirements

In March 2012 the Financial Reporting Council (FRC) issued FRSs 100, 101 and 102, which set out the choice of accounting framework applicable in the UK and Republic of Ireland to replace existing UK GAAP. These new standards become effective for accounting periods beginning on or after 1 January 2015. As the Company is a wholly owned subsidiary undertaking of Bupa, a group whose accounts are publicly available and prepared under IFRS, the Company qualifies for application of FRS 101, which have 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. Adoption of FRS 101 does not have a material impact on the Company.

Auditor

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

Registered office:

By Order of the Board

Bupa House
15 – 19 Bloomsbury Way
London
WC1A 2BA



4 April 2016

D M Fletcher
Director

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

for the year ended 31 December 2015

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* applicable in the UK and Republic of Ireland.

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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of Bupa Treasury Limited

We have audited the financial statements of Bupa Treasury Limited for the year ended 31 December 2015 set out on pages 7 to 21. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice, including FRS 101 *Reduced Disclosure Framework* applicable in the UK and Republic of Ireland).

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 auditor

As explained more fully in the statement of Directors' Responsibilities 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. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with the applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board'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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate

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 2015 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 of the Companies Act 2006

Opinion on other matters prescribed by the Companies Act 2006

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

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Director's report:

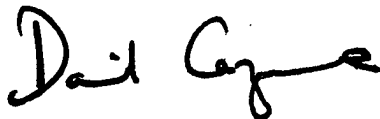
- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of Bupa Treasury 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Daniel Cazeaux (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
4 April 2016

Profit and loss account for the year ended 31 December 2015

	Note	2015 £	2014 £
Income from investment activities	3	1,205,224	502,291,867
Interest payable and similar charges	4	(14,380)	(866,270)
Operating profit		1,190,844	501,425,597
Impairment of investment in Group undertaking	5	-	(465,787,563)
Profit on ordinary activities before taxation		1,190,844	35,638,034
Tax on profit/ (loss) on ordinary activities	7	(479,332)	(3,168,967)
Profit for the year		711,512	32,469,067

The operating profit is 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 accounting policies and notes on pages 10 to 21 form part of these financial statements.

Balance sheet as at 31 December 2015

	Note	2015 £	2014 £
Non-current assets			
Investments	9	59,193,322	57,037,486
Deferred taxation	8	3,698,580	3,967,377
		62,891,902	61,004,863
Current Assets			
Debtors: amounts falling due within one year	10	-	942,396
		-	942,396
Creditors: amounts falling due within one year	11	(8,090,063)	(7,856,932)
Net current liabilities		(8,090,063)	(6,914,536)
Total assets less current liabilities		54,801,839	54,090,327
Creditors: amounts falling due after more than one year		-	-
Net assets		54,801,839	54,090,327
Shareholder's funds			
Called up share capital	12	2	2
Profit and loss account	13	54,801,837	54,090,325
Shareholder's funds		54,801,839	54,090,327

These financial statements were approved by the Board of Directors on 4 April 2016 and were signed on its behalf by:



E B Bourke
Director

Registered number: 1419145

The accounting policies and notes on pages 10 to 21 form part of these financial statements.

Statement of changes in equity for the year ended 31 December 2015

	Called up Share capital	Profit and loss account	Total equity
	£	£	£
Balance at 1 January 2015	2	54,090,325	54,090,327
Total comprehensive income for the year			
Profit or loss	-	711,512	711,512
Total comprehensive income for the year		54,801,837	54,801,839
Balance at 31 December 2015	2	54,801,837	54,801,839

	Called up Share capital	Profit and loss account	Total equity
	£	£	£
Balance at 1 January 2014	865,786,151	133,535,617	999,303,768
Total comprehensive income for the year			
Profit or loss	-	32,469,067	32,469,067
Total comprehensive income for the year		32,469,067	32,469,067
Capital reduction	(865,768,149)	865,786,149	-
Dividends	-	(977,700,508)	(977,700,508)
Balance at 31 December 2014	2	54,090,325	54,090,327

The accounting policies and notes on pages 10 to 21 form part of these financial statements.

Accounting policies

for the year ended 31 December 2015

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. The amendments to FRS 101 (2013/14 Cycle) issued in July 2014 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of IFRS, but makes amendments where necessary in order to comply with 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 the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position and financial performance of the Company is provided in note 16.

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;
- an additional balance sheet for the beginning of the earliest comparative period following the transition to FRS 101;
- the effects of new but not yet effective IFRSs; and
- disclosures in respect of the compensation of Key Management Personnel.

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.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 balance sheet at 1 January 2014 for the purposes of the transition to FRS 101.

Accounting policies (continued)

for the year ended 31 December 2015

Basis of preparation (continued)

(b) Going Concern

The Directors have conducted an assessment of the Company's going concern status based on its current position and forecast results. They have concluded that the Company has adequate financial resources to operate for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis, notwithstanding net current liabilities of £8.1m (2014: £6.9m) as at 31 December 2015.

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on page 1 and the Directors' report on pages 2 to 3.

As disclosed in note 9 of the financial statements, the Company meets its day to day working capital requirements through a loan facility provided to Bupa Investments Limited, a fellow Bupa Group company. The Company's forecasts and projections, taking into account reasonable possible changes in trading performance, show that the Company should be able to operate within the level of this loan facility.

(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.

(e) Investment income

Dividends on equity investments are included, together with the relaxed 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) Investments

Investments in subsidiary undertakings are stated at cost less any provision for impairment.

Intercompany loan investments are initially recognised at fair value and are subsequently recognised at amortised costs 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.

Accounting policies (continued)

for the year ended 31 December 2015

Investments (continued)

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.

(g) Interest bearing borrowings

Interest-bearing 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.

(h) 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.

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.

Notes to the financial statements for the year ended 31 December 2015

1. Immediate and ultimate parent company

The immediate parent undertaking of the Company is Bupa Investments Limited, a company incorporated in England and Wales.

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), a company incorporated in England and Wales. The smallest group into which these financial statements are consolidated is that headed by Bupa Finance plc, a company incorporated in England and Wales.

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

2. 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.

The emoluments of the Directors are borne entirely by the other Group companies and are disclosed in the financial statements of those companies.

3. Income from investment activities

	2015 £	2014 £
Distributions from Group undertakings	-	492,343,022
Net foreign exchange gain	126,453	-
Interest receivable from Group undertakings	1,078,771	9,948,845
	1,205,224	502,291,867

4. Interest payable and similar charges

	2015 £	2014 £
Interest payable to Group companies	14,380	866,018
Other interest payable	-	252
	14,380	866,270

5. Impairment of investment in Group undertakings

	2015 £	2014 £
Bupa Treasury Investments Limited Partnership	-	465,786,150
Bupa Egypt Insurance Bupa Global S.A.E	-	1,413
	-	465,787,563

Notes to the financial statements (continued)

for the year ended 31 December 2015

6. Auditor's remuneration

	2015 £	2014 £
Fees payable to the Company's auditors for the audit of the Company's annual accounts	3,200	2,800

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 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.

7. Tax on loss on ordinary activities

(i) Recognised in the profit and loss account

	2015 £	2014 £
Current taxation		
UK taxation on profit for the year	241,105	3,168,967
	241,105	3,168,967
Adjustments in respect of prior years	(30,570)	-
Total current taxation	210,535	3,168,967
Deferred taxation		
Changes in taxation rates	410,953	-
Adjustments in respect of prior periods	(142,156)	-
Total deferred taxation	268,797	-
Taxation Expense	479,332	3,168,967

Notes to the financial statements (continued)

for the year ended 31 December 2015

(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 profit before tax are as follows:

	2015 £	2014 £
Profit on ordinary activities before taxation	1,190,844	35,638,034
Tax on profit on ordinary activities at domestic UK corporation tax rate of 20.25% (2014: 21.5%)	241,105	7,659,737
Effects of:		
Profits apportioned from partnership	-	(126,884)
Non taxable income	-	(4,363,886)
Changes in taxation rate	410,953	-
Deferred taxation adjustments in respect of prior periods	(142,156)	-
Adjustments to current tax charge in respect of prior year	(30,570)	-
Total current tax charge for year	479,332	3,168,967

8. Deferred tax assets and liabilities

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

	Assets 2015 £000	2014 £000	Liabilities 2015 £000	2014 £000	Net 2015 £000	2014 £000
Taxation value of losses carried forward	3,698,580	3,967,377	-	-	3,698,580	3,967,377
Net deferred tax assets	3,698,580	3,967,377	-	-	3,698,580	3,967,377

(ii) Movement in deferred tax during the year

	1 January 2015 £000	Recognised in profit and loss £000	31 December 2015 £000
Taxation value of losses carried forward	3,967,377	(268,797)	3,698,580
Net deferred tax (assets) / liabilities	3,967,377	(268,797)	3,698,580

Notes to the financial statements (continued)

for the year ended 31 December 2015

8. Deferred tax assets and liabilities (continued)

(iii) Movement in deferred tax during the prior year

	1 January 2014 £000	Recognised in profit and loss £000	31 December 2014 £000
Taxation value of losses carried forward	3,967,377	-	3,967,377
Net deferred tax assets	3,967,377	-	3,967,377

9. Investments

	Subsidiary undertakings	Interest in Associated undertakings £	Loans to Group undertakings £	Total £
1 January 2015	1	-	57,979,881	57,979,881
Additions	-	86,825	3,216,812	3,303,637
Disposals/ Repayments	-	-	(2,090,196)	(2,090,196)
31 December 2015	1	86,825	59,106,497	59,193,322

On 4 February 2015, the Company entered into a joint venture agreement with Nazer Group Holding Company Ltd, a limited liability company incorporated in Saudi Arabia, and established the Nazer Bupa Medical Equipment Company Limited on 2 March 2015.

On 7 May 2015 a loan facility was set up to the value of SAR29m with the Nazer Bupa Medical Equipment Company Limited. As at 31 December 2015, SAR23m was drawn down on this facility.

The outstanding loan balance with Bupa Investments Limited increased by £1.1m during the year, as a result of capitalising the interest balance on the loan. To offset a current payable to Bupa Investments Limited, the loan balance was also reduced by £3.2m on 26 October 2015.

In the opinion of the Directors, investments are worth at least the amount at which they are stated in the balance sheet.

The investment in subsidiary and associated undertakings as at 31 December 2015 is held in:

	Holding (%)	Class of shares	Country of incorporation
Bupa Egypt Insurance Bupa Global S.A.E	0.02	Ordinary shares	Egypt
Nazer Bupa Medical Equipment Company Limited	50.00	Ordinary shares	Saudi Arabia

Notes to the financial statements (continued) for the year ended 31 December 2015

10. Debtors – amounts falling due within one year

	2015	2014
	£	£
Amounts owed by Group undertakings	-	942,396

The opening loan of SAR5.51m with Nazer Medical Clinics Company was increased to SAR7.51m on 31 March 2015 and subsequently repaid in full during the year.

11. Creditors – amounts falling due within one year

	2015	2014
	£	£
Other creditors including taxation and social security	3,956,104	3,745,569
Amounts owed to Group undertakings	4,133,959	4,111,363
Creditors - amounts falling due within one year	8,090,063	7,856,932

On 7 May 2015 a loan facility was set up to the value of SAR29m with Bupa Investments Overseas Limited. As at 31 December 2015, SAR23m was drawn down on this facility.

12. Called up share capital

	2015	2014
	£	£
Allotted, called up and fully paid		
2 ordinary shares of £1 each	2	2

13. Reserves

	Profit and loss account 2015 £
At beginning of year	54,090,325
Profit for the year	711,512
At end of year	54,801,837

Notes to the financial statements (continued)

for the year ended 31 December 2015

14. Contingent liabilities, guarantees 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 provided a guarantee and loan undertakings, as part of the Bupa Group banking arrangements, in respect of the overdraft of certain other Bupa Group undertakings.

15. Subsequent events

There were no subsequent events.

16. Explanation of transition to FRS 101

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 101.

The accounting policies have been applied in preparing the financial statements for the year ended 31 December 2015, the comparative information presented in these financial statements for the year ended 31 December 2014 and in the preparation of an opening FRS 101 balance sheet at 1 January 2014.

In preparing its FRS 101 balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP). An explanation of how the transition from UK GAAP to FRS 101 has affected the Company's financial position is set out in the following tables and the notes that accompany the tables. There has been no impact to the financial performance upon transition to FRS 101.

Notes to the financial statements (continued) for the year ended 31 December 2015

16. Explanation of transition to FRS 101 (continued)

Reconciliation of equity as at 31 December 2014

	Note	UK GAAP £	Effect of transition to FRS 101 £	FRS 101 £
Fixed assets				
Investments		57,037,486	-	57,037,486
Deferred taxation	a	-	3,967,377	3,967,377
		57,037,486	3,967,377	61,004,863
Current Assets				
Debtors: amounts falling due within one year		942,396	-	942,396
		942,396	-	942,396
Creditors: amounts falling due within one year		(7,856,932)	-	(7,856,932)
Net current liabilities		(6,914,536)	-	(6,914,536)
Total assets less current liabilities		50,122,950	3,967,377	54,090,327
Creditors: amounts falling due after more than one year		-	-	-
Net assets		50,122,950	3,967,377	54,090,327
Shareholder's funds				
Called up share capital		2	-	2
Profit and loss account		50,122,948	3,967,377	54,090,325
Shareholder's funds		50,122,950	3,967,377	54,090,327

Note to the reconciliation of equity

- a) Deferred tax recognised under FRS 101 relates to taxation losses carried forward that were not previously recognised under UK GAAP.

Notes to the financial statements (continued)

for the year ended 31 December 2015

16. Explanation of transition to FRS 101 (continued)

Reconciliation of equity as at 31 December 2013

	Note	UK GAAP £	Effect of transition to FRS 101 £	FRS 101 £
Fixed assets				
Investments		1,064,525,596	-	1,064,525,596
Deferred taxation	a	-	3,967,377	3,967,377
		1,064,525,596	3,967,377	1,068,492,973
Current Assets				
Debtors: amounts falling due within one year		303,537	-	303,537
		303,537	-	303,537
Creditors: amounts falling due within one year		(3,747,737)	-	(3,747,737)
Net current liabilities		(3,444,200)	-	(3,444,200)
Total assets less current liabilities		1,061,081,396	3,967,377	1,065,048,773
Creditors: amounts falling due after more than one year		(65,727,005)	-	(65,727,005)
Net assets		995,354,391	3,967,377	999,321,768
Shareholder's funds				
Called up share capital		865,786,151	-	865,786,151
Profit and loss account		129,568,240	3,967,377	133,535,617
Shareholder's funds		995,354,391	3,967,377	999,321,768

Note to the reconciliation of equity

a) Deferred tax recognised under FRS 101 relates to taxation losses carried forward that were not previously recognised under UK GAAP.

Notes to the financial statements (continued)

for the year ended 31 December 2015

17. Investment in subsidiaries

Carrying value of investment in subsidiaries

Investments in subsidiary companies are carried at cost less impairment in the Company's accounts. Dividends received from subsidiaries are recognised in the income statement when the right to receive the dividend is established.

In accordance with Section 409 of the Companies Act 2006 a full list of subsidiaries, partnerships, associates, joint ventures and joint arrangements, the country of incorporation and the effective percentage of equity owned, as at 31 December 2015 are disclosed below. Unless otherwise stated the share capital disclosed comprises ordinary shares which are indirectly held by the Company.

As at 31 December 2015, the Company owns less than 100% of the below entities;

Bupa Egypt Insurance Bupa Global S.A.E	Egypt	0.02%
Nazer Bupa Medical Equipment Company Limited	Saudi Arabia	50.00%