

# **BUPA INTERNATIONAL MARKETS LIMITED**

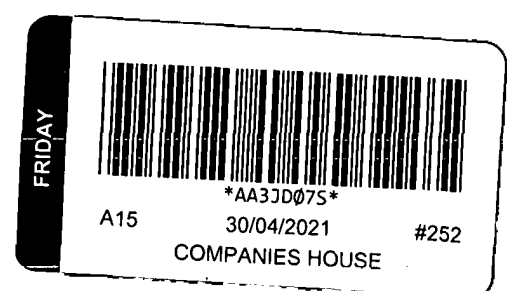
**(Registered number 01419145)**

Annual report  
for the year ended

31 December 2020

**Registered office:**

**1 Angel Court  
London  
EC2R 7HJ**



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## **Strategic Report**

### **for the year ended 31 December 2020**

The Directors present their Strategic Report for Bupa International Markets Limited ("the Company") for the year ended 31 December 2020.

#### **Business Review**

The Directors consider the performance of the Company, the primary purpose of which is to hold investments, during the year to be satisfactory and do not foresee any significant changes in the forthcoming year.

The results of the Company show a loss before taxation £2.3m (2019: £4.2m loss) mainly driven by the impairment of strategic investment. The Company's net assets of £146.8m (2019: £176.3m) decreased during the year following dividend in specie payment to Bupa Investments Limited.

#### **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 the external investment market and the uncertainty of timing of cash generation within the other Bupa 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.

On March 11, 2020, the World Health Organization declared Coronavirus COVID-19 a pandemic, due to its rapid spread throughout the world. Most governments are taking restrictive measures to contain the spread and the situation is significantly affecting the global economy, due to the interruption or slowdown of supply chains and the significant increase in economic uncertainty, evidenced by an increase in the volatility of asset prices, exchange rates and a decrease in long-term interest rates.

Whilst noting the positive early stages of vaccine deployment we are now seeing, it is clear COVID-19 will continue to impact economies, health systems and our business lines over the medium to long term. Whilst uncertainty remains over the future effects of COVID-19, as at the date of approval of these financial statements that there has been no significant disruption in the Company's business, nor impacts to the Company's investments in subsidiary undertakings and joint ventures giving rise to impairments to their carrying values in these financial statements.

Details of the Bupa Group's business risks and risk management processes are set out in the 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

27 April 2021

**By Order of the Board**



**Gareth Roberts**  
Director

## **Directors' Report**

### **for the year ended 31 December 2020**

The Directors present their annual report and the financial statements of the Company for the year ended 31 December 2020.

#### **Principal activity**

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

#### **Dividends**

The Company made a dividend in specie payment of £25.9m during the year ended 31 December 2020 (2019: £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.

Further details regarding adoption of the going concern basis can be found in the accounting policies of 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 ("IFRS") in accordance with the Companies Act 2006. 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, a group whose accounts are publicly available and prepared under IFRS, 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:

D M Fletcher (resigned 18 June 2020)  
T L McHarg (resigned 18 June 2020)  
G M Evans (appointed 17 June 2020)  
G H Roberts (appointed 17 June 2020)  
J Linton (appointed 17 June 2020, resigned 19 January 2021)  
M Potkins (appointed 1 January 2021)

#### **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.

#### **Political and charitable contributions**

The Company made no political or charitable donations nor incurred any political expenditure during the year (2019: £nil).

## **Directors' Report (continued)**

**for the year ended 31 December 2020**

### **Disclosure of information to Auditor**

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.

### **External Auditor**

Subject to approval by the Company's shareholders, it is proposed that PricewaterhouseCoopers LLP will be appointed as the Company's auditor for the audit of the financial year ending 31 December 2021.

Registered office:

1 Angel Court  
London  
EC2R 7HJ

**By Order of the Board**



27 April 2021

**Gareth Roberts**  
**Director**

## **Directors' Responsibilities Statement**

### **for the year ended 31 December 2020**

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.

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;
- 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 International Markets Limited**

## **Opinion**

We have audited the financial statements of Bupa International Markets Limited ("the company") for the year ended 31 December 2020 which comprise the Profit and Loss Account, Balance Sheet, 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 2020 and of its loss 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**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

## **Fraud and breaches of laws and regulations – ability to detect**

### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of management and inspection of policy documentation as to the British United Provident Association Limited's group policies and procedures to prevent and detect fraud that apply to this group company as well as enquiring whether management have knowledge of any actual, suspected or alleged fraud; and
- Reading Board minutes.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition due to the nature of the company's income, which is primarily interest income on loans from group undertakings. This requires limited judgement in determining the appropriate recognition point.

We did not identify any additional fraud risks.

We performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included journal entries with specific comments assessed as higher risk.

*Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

This company, as a holding company, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

*Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

**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.

### **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](http://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.



**Shaun Gealy (Senior Statutory Auditor)**  
for and on behalf of KPMG LLP, Statutory Auditor

*Chartered Accountants*  
3 Assembly Square,  
Britannia Quay,  
Cardiff, CF10 4AX  
27 April 2021

## Profit and Loss Account for the year ended 31 December 2020

	Note	2020 £	2019 £
Income from investment activities	4	972,207	1,149,299
Interest payable and similar expenses	5	(580,991)	(492,172)
Impairment of loan	8	(2,716,766)	(4,849,121)
<b>Loss before taxation</b>		<b>(2,325,550)</b>	<b>(4,191,994)</b>
Tax charge	7	(1,234,402)	(131,273)
<b>Loss for the year</b>		<b>(3,559,952)</b>	<b>(4,323,267)</b>

The result for the year is entirely derived from continuing operations.

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

The Company has no recognised income or expense other than the loss shown above and therefore no other comprehensive income/loss is presented.

## Balance Sheet

as at 31 December 2020

	Note	2020 £	2019 £
<b>Non-current assets</b>			
Investments	8	146,955,828	200,456,582
Deferred taxation	9	9,619	1,168,538
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	10	(199,728)	(25,371,600)
<b>Net assets</b>		<b>146,765,719</b>	<b>176,253,520</b>
<b>Shareholder's funds</b>			
Called up share capital	11	136,229,210	136,229,210
Profit and loss reserve		10,536,509	40,024,310
<b>Shareholder's funds</b>		<b>146,765,719</b>	<b>176,253,520</b>

These financial statements were approved by the Board of Directors on 27 April 2021 and were signed on its behalf by:



**Gareth Evans**  
 Director

The notes on pages 11 to 18 form part of these financial statements.

## Statement of Changes in Equity

for the year ended 31 December 2020

	Called up share capital £	Profit and loss reserve £	Total equity £
Balance at 1 January 2020	136,229,210	40,024,310	176,253,520
<b>Total comprehensive income for the year</b>			
Loss for the year	-	(3,559,952)	(3,559,952)
<b>Total comprehensive income for the year</b>	-	(3,559,952)	(3,559,952)
Dividends declared and paid	-	(25,927,849)	(25,927,849)
<b>Balance at 31 December 2020</b>	136,229,210	10,536,509	146,765,719

	Called up share capital £	Profit and loss reserve £	Total equity £
Balance at 1 January 2019	2	44,347,577	44,347,579
<b>Total comprehensive income for the year</b>			
Loss for the year	-	(4,323,267)	(4,323,267)
<b>Total comprehensive income for the year</b>	-	(4,323,267)	(4,323,267)
Issue of shares	136,229,208	-	136,229,208
<b>Balance at 31 December 2019</b>	136,229,210	40,024,310	176,253,520

The notes on pages 11 to 18 form part of these financial statements.

## **Notes to the Financial Statements**

### **for the year ended 31 December 2020**

#### **1. Accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below

##### **(a) Adoption of new and revised standards**

There have been no changes in accounting policy during the year, the Company has consistently applied its accounting policies to all periods presented in these Financial Statements.

##### **(b) 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.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRSs") 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 has been taken.

As the Company is a wholly owned subsidiary undertaking of Bupa, a company registered in England and Wales, which publishes consolidated accounts, the Company has not included details of transactions with other Bupa Group companies which are subsidiary undertakings of Bupa.

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

- Cash Flow Statement and related notes;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Related party transactions with fellow Bupa Group companies; and
- Disclosures in respect of the requirements of IFRS 7 Financial Instruments: Disclosures.

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

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

##### **(c) Going Concern**

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.

On March 11, 2020, the World Health Organization declared Coronavirus COVID-19 a pandemic, due to its rapid spread throughout the world. Most governments are taking restrictive measures to contain the spread and the situation is significantly affecting the global economy, due to the interruption or slowdown of supply chains and the significant increase in economic uncertainty, evidenced by an increase in the volatility of asset prices, exchange rates and a decrease in long-term interest rates.

## **Notes to the Financial Statements (continued)**

### **for the year ended 31 December 2020**

#### **(c) Going Concern (continued)**

Whilst noting the positive early stages of vaccine deployment we are now seeing, it is clear COVID-19 will continue to impact economies, health systems and our business lines over the medium to long term. Whilst it is not possible, at this stage, to accurately estimate the financial impacts of this crisis, the Directors note, as at the date of approval of these financial statements that there has been no significant disruption in the Company's business up to the date of approval of these financial statements and there are no indicators of impairment to investments in subsidiaries.

An assessment of Group's going concern, looking at Bupa's solvency, liquidity, borrowings and trading profitability in base and stress scenarios has been carried out, including assessing the impact of COVID-19 on the Group. This assessment has been considered in the context of the impact for the Company.

Having assessed the Company's financial position at 31 December 2020, performance for the year then ended and to the date of signing of the financial statements, supported by results of the going concern assessment for the Group, we have not found any evidence to suggest that the Company will have difficulty in meeting future obligations. On this basis, we have concluded that the going concern assumption remains appropriate, notwithstanding net current liabilities of £0.2m as at 31 December 2020 (2019: £25.4m).

The Company has the financial and other support of Bupa Finance plc, a fellow Bupa Group company, for the next twelve months from the date of approval of these financial statements.

#### **(d) 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.

#### **(e) 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, the resulting foreign exchange gain or loss is recognised under Interest payable and similar expenses in the Profit and Loss Account. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated, the resulting foreign exchange gain or loss is recognised under Interest payable and similar expenses in the Profit and Loss Account.

#### **(f) Investment income**

Dividends on equity investments are included, in the Profit and Loss Account. Other investment income is recognised on an accrual's basis.

#### **(g) Investments**

Investments in subsidiary and associate undertakings are stated at cost less any provision for impairment. Investments in joint ventures are recorded 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 expected credit losses (ECL). The Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition.

## **Notes to the Financial Statements (continued)**

### **for the year ended 31 December 2020**

#### **(g) Investments (continued)**

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

The carrying amounts of investments in subsidiary undertakings 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.

#### **(h) 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.

#### **(i) Taxation and deferred taxation**

The taxation expense on the profit for the year comprises current and deferred taxation. Income taxation is recognised in the Profit and Loss Account.

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.

## **2. Immediate and ultimate parent company**

The immediate parent undertaking of the Company is Bupa Investments Limited, 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 Bupa, with its registered office at 1 Angel Court, London, EC2R 7HJ. 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.

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 2020

### 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. The emoluments of the Directors are borne entirely by other Bupa Group entities and Directors' remuneration in connection to the Company is as follows:

	2020	2019
	£	£
Emoluments	16,926	19,476
Amounts receivable under long term incentive schemes	8,304	10,947
Company contributions to defined contribution pension schemes	132	200
	<b>25,362</b>	<b>30,623</b>

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid Director was £9,920 (2019: £15,960) and company pension contributions of £34 (2019: £100) were made to a defined contribution pension scheme on his behalf.

### 4. Income from investment activities

	2020	2019
	£	£
Net foreign exchange gain	16,434	-
Dividend Income	-	1,166
Interest receivable from Group undertakings	955,773	1,148,133
	<b>972,207</b>	<b>1,149,299</b>

### 5. Interest payable and similar expenses

	2020	2019
	£	£
Bad debt expense	4,649	-
Interest payable to Group companies	445,225	425,633
Net foreign exchange loss	131,117	66,539
	<b>580,991</b>	<b>492,172</b>

### 6. Auditor's remuneration

	2020	2019
	£	£
Fees payable to the Company's Auditor for the audit of the Company's annual accounts	<b>4,200</b>	<b>4,200</b>

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

There were no fees paid to the Company's Auditor, KPMG LLP, and its associates for services other than the statutory audit of the Company.



## Notes to the Financial Statements (continued)

### for the year ended 31 December 2020

#### 7. Tax on profit

##### (i) Recognised in the Profit and Loss Account

	2020 £	2019 £
<b>Current taxation</b>		
UK taxation on profit for the year	75,214	124,247
Overseas Tax	-	116
	<u>75,214</u>	<u>124,363</u>
Adjustments in respect of prior years	269	6,910
<b>Total current taxation</b>	<b>75,483</b>	<b>131,273</b>
<b>Deferred taxation</b>		
Changes in tax rates	(1,012)	-
Adjustments in respect of prior periods	1,159,931	-
<b>Total deferred taxation</b>	<b>1,158,919</b>	<b>-</b>
<b>Taxation expense / (income)</b>	<b>1,234,402</b>	<b>131,273</b>

##### (ii) Reconciliation of effective tax rate

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

	2020 £	2019 £
<b>Loss before taxation</b>	<b>(2,325,550)</b>	<b>(4,191,994)</b>
Tax on loss at UK corporation tax rate of 19% (2019: 19%)	(441,854)	(796,479)
Effects of:		
Expenses not deductible for tax purposes	517,068	921,064
Non-assessable income	-	(222)
Changes in taxation rate	(1,012)	-
Adjustments in respect of current income tax of previous years	269	6,910
Adjustments in respect of deferred tax of previous years	1,159,931	-
<b>Total current tax expense for the year</b>	<b>1,234,402</b>	<b>131,273</b>

A reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020. The UK deferred tax asset as at 31 December 2020 has been calculated based on this rate. The March 2021 Budget announced that the UK tax rate will increase to 25% from 1 April 2023. This will have a consequential effect on the Company's future tax charge. If this rate change had been substantively enacted at the current balance sheet date, the deferred tax asset would have increased by £3,038, from £9,619 to £12,657.

## Notes to the Financial Statements (continued)

for the year ended 31 December 2020

### 8. Investments

	Subsidiary undertakings £	Interest in Joint venture undertakings £	Loans to Group undertakings £	Total £
<b>1 January 2020</b>	136,230,623	8,419,883	55,806,076	200,456,582
Additions	-	-	4,015,342	4,015,342
Repayment of loan	-	-	(54,799,330)	(54,799,330)
Impairment of loan	-	-	(2,716,766)	(2,716,766)
<b>31 December 2020</b>	<b>136,230,623</b>	<b>8,419,883</b>	<b>2,305,322</b>	<b>146,955,828</b>

	Subsidiary undertakings £	Interest in Joint venture undertakings £	Loans to Group undertakings £	Total £
<b>1 January 2019</b>	1	8,419,883	54,069,547	62,489,431
Additions	136,230,622	-	6,585,650	142,816,272
Impairment of loan	-	-	(4,849,121)	(4,849,121)
<b>31 December 2019</b>	<b>136,230,623</b>	<b>8,419,883</b>	<b>55,806,076</b>	<b>200,456,582</b>

During the year, the Company advanced a loan of £4.0m (2019: £6.6m) to Nazer Bupa Medical Equipment Company Limited. At 31 December 2020, an impairment loss of £2.7m (2019: £4.8m) was recognised in connection to this loan.

The loan receivable from Bupa Investments Limited was fully repaid during the year (2019: £54.8m).

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

### Related Undertakings

In compliance with Section 409 of the Companies Act 2006, disclosed below is a list of related undertakings of the Company as at 31 December 2020, comprising any subsidiaries, joint ventures, associated undertakings or other significant holdings, together with the registered office address, each share class held by the Company and the proportion of the nominal value of the shares of that class represented by those shares. All share classes disclosed are held directly by the Company, unless stated otherwise.

Name of undertaking	Registered office address	Share class held	Actual % held
Nazer Bupa Medical Equipment Company Limited	Prince Sultan St, Al Mohammadiyah Dist, PO Box 260, Jeddah 21411, Saudi Arabia	SAR1,000.00 Ordinary	50.00
Bupa Acibadem Sigorta A.S.	Küçükbakkalköy Mah. Basar Sok No: 20 Atasehir, Istanbul, Turkey	TRY1.00 Ordinary	100.00
Acibadem Grubu Sigorta Aracilik Hizmetleri A.S. <sup>1</sup>	Küçükbakkalköy Mah. Basar Sok No: 20 Atasehir, Istanbul, Turkey	TRY1.00 Ordinary	100.00

<sup>1</sup> Held indirectly by the Company

## Notes to the Financial Statements (continued)

for the year ended 31 December 2020

### 9. Deferred tax assets and liabilities

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

	Assets 2020 £	Assets 2019 £
Taxation value of losses carried forward	9,619	1,168,538
<b>Net deferred tax assets</b>	<b>9,619</b>	<b>1,168,538</b>

(ii) Movement in deferred tax during the year

	1 January 2020 £	Recognised in profit and loss £	31 December 2020 £
Taxation value of losses	1,168,538	(1,158,919)	9,619
<b>Net deferred tax assets 2020</b>	<b>1,168,538</b>	<b>(1,158,919)</b>	<b>9,619</b>

(iii) Movement in deferred tax during the prior year

	1 January 2019 £	Recognised in profit and loss £	31 December 2019 £
Taxation value of losses	1,168,538	-	1,168,538
<b>Net deferred tax assets 2019</b>	<b>1,168,538</b>	<b>-</b>	<b>1,168,538</b>

As at 31 December 2020, the Company had deductible temporary differences relating to capital losses of £3,264,906 (2019: £3,264,906) for which no deferred taxation asset was recognised due to uncertainty of utilisation of these timing differences.

### 10. Creditors – amounts falling due within one year

	2020 £	2019 £
Other creditors including taxation and social security	199,728	420,471
Amounts owed to Group undertakings	-	24,951,129
<b>Creditors - amounts falling due within one year</b>	<b>199,728</b>	<b>25,371,600</b>

The loan payable to Bupa Investments Overseas Limited, a fellow Bupa Group company, was repaid in full during the year (2019: £15m).

### 11. Called up share capital

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
136,229,210 ordinary shares of £1 each	136,229,210	136,229,210

## **Notes to the Financial Statements (continued)**

### **for the year ended 31 December 2020**

#### **12. 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. A liability is not recognised as the probability of an obligation arising to make a payment in connection to this matter is remote.

#### **13. Subsequent events**

On 25 February 2021, the Company advanced a loan of SAR 20 million (£3,787,061) to Nazer Bupa Medical Equipment Company Limited. This was funded by way of share issue to Bupa Investments Limited for the same amount.