

Bupa Care Homes (ANS) Limited
(Registered number 1960990)
Directors' report and financial statements
for the year ended
31 December 2013

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Bupa Care Homes (ANS) Limited
Financial statements
Year ended 31 December 2013

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Bupa Care Homes (ANS) Limited
Financial statements
Year ended 31 December 2013

Directors' report

The directors present their annual report and the financial statements of Bupa Care Homes (ANS) Limited ("the Company") for the year ended 31 December 2013

1. Directors

The directors who served during the year were as follows

S P Reiter	resigned	28 March 2013
A J Cannon		
R N Jackson	resigned	18 December 2013
O H D Thomas	resigned	15 March 2013
S M Los		
N T Beazley	died	19 May 2013
M P Elliott	resigned	3 June 2013
K Moore	appointed	5 August 2013
A M Peeler		
R T Bowden		
T J Seal	resigned	31 May 2013

2. Conversion to International Financial Reporting Standards

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

3. 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

4. Political and charitable contributions

The Company made no political or charitable donations or incurred any political expenditure during the year (2012 £nil)

5. Employees

Details of the number of persons employed and gross remuneration are contained in note 3 to the financial statements

Every effort is made by the directors and management to inform, consult and encourage the full involvement of staff on matters concerning them as employees and affecting the Company's performance

Employment of disabled persons

The Company is committed to providing equal opportunities to employees. The employment of disabled persons is included in this commitment and the recruitment, training, career development and promotion of disabled persons is based on the aptitudes and abilities of the individual. Should employees become disabled during employment, every effort would be made to continue their employment and, if necessary, appropriate training would be provided

Directors' report (continued)

5. Employees (continued)

Employment policy

The Company continues to regard communication with its employees as a key aspect of its policies. Information is given to employees about employment matters and about the financial and economic factors affecting the Company's performance through management channels. Employees are encouraged to discuss operational and strategic issues with their line management and to make suggestions aimed at improving performance.

6. Disclosure of information to auditor

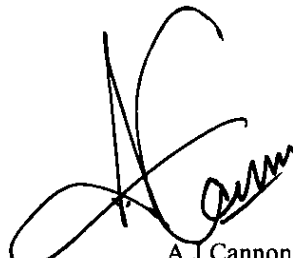
The directors who held office at the date of approval of this directors' report confirm that

- 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.

7. Auditor

Our auditor, KPMG Audit Plc has instigated an orderly wind down of business. The Board has decided to put KPMG LLP forward to be appointed as auditor and a resolution concerning their appointment will be proposed to the shareholders of the Company.

Registered Office
Bridge House
Outwood Lane
Horsforth
Leeds
West Yorkshire
LS18 4UP



A J Cannon
Director

10 March 2014

Strategic report

Principal activities

The principal activities of the Company for the year are the owning and operating of nursing and residential homes for the elderly. The Company, together with fellow subsidiary undertakings of the ultimate parent company, The British United Provident Association Limited (Bupa), with similar activities, form Bupa Care Homes.

Key performance indicators

Bupa Care Homes is a leading care homes operator in the UK providing nursing and residential care to more than 18,000 residents in over 300 care homes in the UK over 70% of whom are funded wholly or in part by local authorities (LAs) and Clinical Commissioning Groups (CCGs).

Trading in 2013 has been challenging as a result of the government's austerity measures, which continue to place financial constraints on LAs and CCGs. This has resulted in the continuation of low fee increases and a reduction in placements by many LAs. We are also seeing strong competition for self-funded residents resulting in fee and occupancy pressure. In addition costs have continued to be impacted by inflation particularly fuel and catering costs which are the major non staff operating costs.

The key drivers of the business are

	2013	2012	Analysis
Revenue (£'000)	111,167	106,753	Revenue has increased due to the annual fee increase for each resident
Operating (loss)/profit (£'000)	(611)	9,765	Operating profit has decreased due to higher staffing costs, agency and deficit on revaluation
Occupancy percentage (%)	85.1	85.2	Occupancy has fallen slightly due to a slowdown in self-funded admissions
Available beds	3,333	3,275	The strategy is to provide an enhanced environment for our residents

Definitions and method of calculation

Occupancy percentage is defined as the average occupied beds divided by the average available beds for the year.

Available beds are the average number of beds available for occupation during the year.

Business model

Bupa Care Homes has continued to lead the field in aged care, working with the government and organisations to help shape agenda and long term policies.

There is evidence that councils are tightening their eligibility criteria for state funded care. Figures provided by the Care Quality Commission (CQC) suggest that the proportion of councils setting their eligibility threshold at 'critical' has reduced slightly over the last couple of years from 4% to 2%, but that the proportion setting the threshold at 'substantial' has increased significantly. The figures suggest that 83% of councils set their threshold for eligibility for state funded care at 'substantial' in 2012/13, compared to 78% in 2011/12 and 70% in 2008/9. Consequently, when residents do reach the point where they require residential care their needs are often greater and they are also more likely to need nursing care.

Following the publication of their new strategy in April 2013, the CQC started to embed changes to the way they regulate health and social care services. These include the introduction of Chief Inspectors, expert inspection teams, clear standards of care, better use of information to help decide when, where and what to inspect, ratings to help people choose care, a focus on highlighting good practice, a commitment to listen better to the views and experiences of people who use services, and a determination to build a high-performing organisation.

The CQC has appointed an Inspector of Adult Social Care, who has set out the CQC's early thinking on priorities for adult social care in "A Fresh Start for Adult Social Care". The CQC will engage and then consult on the changes they are proposing.

Strategic report (continued)

Business model (continued)

Between January 2014 and October 2014, the CQC expects to begin a programme of inspections to test and refine their approach, publish intelligence monitoring on the services that they regulate and issue the first ratings of services. The changes will be finalised by October 2014, when new regulations will be introduced to underpin them.

Bupa Care Homes has supported the Department of Health (DoH) in its objective to monitor finance and business performance of major operators by supporting regular dialogue and building stronger relationships with the Government in the aftermath of the Southern Cross collapse.

The Care Bill is currently making its journey through Parliament. Its purpose is to introduce legislation to provide protection and support to the elderly and to take forward elements of the government's initial response to the public inquiry into the Mid-Staffordshire NHS Foundation Trust, led by Robert Francis QC, published in February 2013. It also provides a legislative framework for the future funding of adult social care, as set out following the Dilnot review. It sets out new rights for carers, emphasises the need to prevent and reduce care and support needs, and introduces a national eligibility threshold for care and support. Additionally, it will require LAs to support a market that delivers a wide range of care and support services that will be available to their communities. The Care Bill has already finished its passage through the House of Lords and is currently passing through the House of Commons. It is expected to receive royal assent in late Spring 2014.

The 2013 Annual Report of Progress on The Prime Minister's Challenge on Dementia reiterated the ambition to make a real and positive difference to the lives of people affected by dementia. It was reported that there are now 148 signatories to the 'Dementia Care and Support Compact' agreed with major care providers to improve care and support for people with dementia compared to 10 signatories a year ago. Bupa Care Homes supports this message for further improvements and have appointed Bupa Admiral Nurses to support people with dementia living in our care homes and local communities. We also launched in partnership with Alzheimer's Disease International a charter called "I Can Live Well With Dementia", the first global framework of the rights of people living with dementia.

The Company opened a 64 bed care home in Glasgow in February 2013.

During the year the Company sold a care home in Harrogate, North Yorkshire.

Business review and results

Results

The loss for the year, after taxation, amounted to £5,015,000 (2012: £399,000 profit). The Company had net assets of £207,486,000 (2012: £60,317,000).

Dividends

The directors do not recommend the payment of a dividend in respect of the year ended 31 December 2013 (2012: £nil).

Capital injection

During the year the Company issued 140,000,000 ordinary shares (2012: nil).

Acquisitions

During the year the Company acquired the entire share capital of Richmond Care Villages Holdings Limited and its subsidiaries for a consideration of £88 million.

Future development

The high cost of inflation (in particular energy and food), coupled with pressure on state funded fees will see a continuation of the difficult trading conditions into 2014. There are initiatives to improve occupancy with a particular focus on the self funded market into 2014. Throughout the year, Bupa Care Homes demonstrated its commitment to investing in the training and development of its staff. Bupa Care Homes won an Award of Excellence for their "Internal Values Campaign" in the Institute of Internal Communications 'Best Single Campaign' Awards category.

Strategic report (continued)

Principal risks and uncertainties

The Company and its strategy are subject to a number of risks and uncertainties. Management consider that the key risks and uncertainties arise as a result of challenges to occupancy and fee levels of publicly funded residents as a result of public sector spending constraints and pressure on private funded placements due to current economic conditions.

In addition it is anticipated that there will be increasing legislation and regulation and increases in staff costs driven by employment legislation.

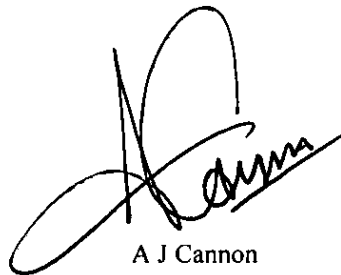
Further information relating to the Company, as applicable to the Bupa Group as a whole, is provided within the discussion of business risks and uncertainties section of the Bupa Group's annual report and accounts, which does not form part of this report.

Registered Office

Bridge House
Outwood Lane
Horsforth
Leeds
West Yorkshire
LS18 4UP

10 March 2014

By order of the board

A handwritten signature in black ink, appearing to read 'A J Cannon', is written over a horizontal line.

A J Cannon
Director

Statement of directors' responsibilities in respect of the directors' report, strategic report and the financial statements

The directors are responsible for preparing the directors' report, strategic report and the financial statements in accordance with applicable law and regulations

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

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit and loss of the Company for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Independent auditor's report to the members of Bupa Care Homes (ANS) Limited

We have audited the financial statements of Bupa Care Homes (ANS) Limited for the year ended 31 December 2013 set out on pages 8 to 21. The financial reporting framework that has been applied in their preparation is the applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

As explained more fully in the statement of directors' responsibilities in respect of the directors' report, strategic report and financial statements set out on page 6, 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 applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the 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 2013 and of its loss 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.

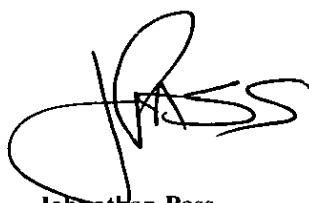
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report and the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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



Jonathan Pass
Senior Statutory Auditor
for and on behalf of
KPMG Audit plc
Statutory Auditor
Chartered Accountants
1 The Embankment
Neville Street
Leeds
West Yorkshire
LS1 4DW

10 March 2014

Bupa Care Homes (ANS) Limited
Financial statements
Year ended 31 December 2013

Profit and loss account

	Note	2013 £'000	2012 £'000
Turnover		111,167	106,753
Operating expenses	2	(111,778)	(96,988)
Operating (loss)/profit		(611)	9,765
Amounts written off investments		-	(9,404)
Income from shares in group undertakings	4	-	7,295
Profit on disposal of fixed assets		511	-
Interest receivable and similar income	5	58	-
Interest payable and similar charges	6	(4,592)	(5,164)
(Loss)/Profit on ordinary activities before taxation	7	(4,634)	2,492
Tax on (loss)/profit on ordinary activities	8	(381)	(2,093)
(Loss)/Profit for the year		(5,015)	399

The operating (loss)/ profit is all derived from continuing operations

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

The accounting policies and notes on pages 11 to 21 form part of these financial statements

Bupa Care Homes (ANS) Limited
Financial statements
Year ended 31 December 2013

Statement of total recognised gains and losses

	2013	2012
	£'000	£'000
(Loss)/Profit for the year	(5,015)	399
Unrealised surplus/(deficit) on properties	12,184	(2,825)
Total gains and losses recognised since last annual report and financial statements	7,169	(2,426)

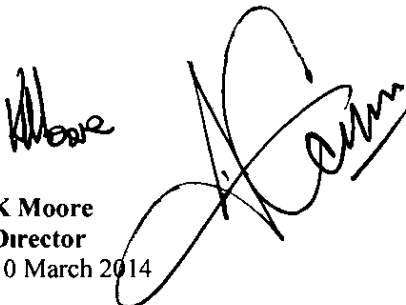
The accounting policies and notes on pages 11 to 21 form part of these financial statements

Bupa Care Homes (ANS) Limited
Financial statements

Balance sheet
as at 31 December 2013

	Note	2013 £'000	2012 £'000
Fixed assets			
Intangible assets	9	3,939	4,081
Tangible assets	10	209,856	193,422
Investments	11	167,733	118,516
		381,528	316,019
Current assets			
Debtors	12	1,259	-
Cash at bank and in hand		-	5
		1,259	5
Creditors amounts falling due within one year	13	(18,810)	(6,688)
Net current liabilities		(17,551)	(6,683)
Total assets less current liabilities		363,977	309,336
Creditors amounts falling due after more than one year	14	(153,745)	(245,637)
Provisions for liabilities	15	(2,746)	(3,382)
Net assets		207,486	60,317
Shareholders' Funds			
Called up share capital	17	140,000	-
Revaluation reserve	18	50,906	38,722
Profit and loss account	18	16,580	21,595
Shareholders' Funds	19	207,486	60,317

These financial statements were approved by the board of directors and were signed on its behalf by


K Moore
Director
 10 March 2014
 Registered number 1960990

The accounting policies and notes on pages 11 to 21 form part of these financial statements

Accounting policies

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

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable UK accounting standards.

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.

(b) Going concern

The Company meets its day to day working capital requirements through an intercompany financing arrangement. The forecast and projections of the Bupa Group indicate that it will continue to trade profitably. After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Further information regarding the Company's business activities, together with the factors likely to affect its future development, performance and position, is set out in the strategic report.

(c) Related party transactions

As the Company is a wholly owned subsidiary of Bupa, the Company has taken advantage of the exemption contained in Financial Reporting Standard 8 Related Party Disclosures (FRS 8) and has therefore not disclosed transactions or balances with entities which form part of the Bupa Group.

(d) Cash flow statement

Under Financial Reporting Standard 1 Cash Flow Statements (revised 1996) (FRS 1) the Company is exempt from the requirement to prepare a cash flow statement on the grounds it is a wholly owned subsidiary undertaking of Bupa, a company that prepares a consolidated cash flow statement for the Bupa Group.

(e) Turnover

Turnover represents the total amount earned by the Company in the ordinary course of business for services rendered after deducting trade discounts and Value Added Tax, where applicable. All turnover arises within the United Kingdom.

(f) Taxation and deferred taxation

The charge for taxation is based on the result for the year and takes into account deferred taxation.

Deferred tax is provided in full on all timing differences that have originated but not reversed, at the balance sheet date which result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

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

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on current tax rates and laws.

Trading losses claimed from other Bupa Group undertakings are claimed on a full payment basis.

Accounting policies (continued)

(g) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write-off the cost or valuation, less the estimated residual value, on a straight line basis over its expected useful life, as follows

Freehold buildings	- 50 years
Leasehold land and buildings	- term of the lease
Fixtures and fittings	- 3 to 50 years

(h) Intangible assets

Goodwill arising on acquisitions (representing the excess of purchase consideration for assets acquired over the fair value of the net assets acquired) is capitalised on the balance sheet and is amortised over its estimated useful economic life on a straight line basis. The useful economic life is determined after taking into account factors such as type of business, customer relationships and distribution channels but will normally be limited to periods of 20 years or less.

Leases acquired as intangible assets as part of a business combination are capitalised at cost, being its fair value at acquisition. After initial recognition, these costs are carried at revalued amount being its fair value at the date of revaluation less any subsequent accumulated amortisation and any subsequent impairment losses. Fair value is based on periodic, but at least triennial, valuations performed by external independent valuers and are determined by reference to an active market. The valuations are performed with sufficient regularity to ensure that the Company value does not differ significantly from fair value at the balance sheet date. The intangible assets are amortised so as to write off the cost or valuation by equal instalments over the term of the lease.

Bupa Care Homes (ANS) Limited
Financial statements
Year ended 31 December 2013

Notes to the financial statements

1 Immediate and ultimate parent company

The immediate parent undertaking of the Company is Bupa Finance plc, 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, 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. Operating expenses

	2013	2012
	£'000	£'000
Staff costs	63,234	57,517
Other operating expenses	48,544	39,471
	111,778	96,988

3. Staff costs and directors' remuneration

(i) Staff costs

The average monthly number of employees (including directors) was as follows

	2013	2012
Health care	3,655	3,404

Their aggregate remuneration comprised

	2013	2012
	£'000	£'000
Wages and salaries	58,830	53,527
Social security costs	4,251	3,861
Other pension costs	153	129
	63,234	57,517

(ii) Directors' remuneration

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

4. Income from shares in group undertakings

	2013	2012
	£'000	£'000
Ordinary dividend from Belmont Care Limited	-	7,295

5 Interest receivable and similar income

	2013	2012
	£'000	£'000
Group undertakings	58	-

Bupa Care Homes (ANS) Limited
Financial statements
Year ended 31 December 2013

Notes to the financial statements (continued)

6. Interest payable and similar charges

	2013	2012
	£'000	£'000
Group undertakings	4,592	5,164

7. (Loss)/Profit on ordinary activities before taxation

(Loss)/profit on ordinary activities before taxation is stated after charging/(crediting)

	2013	2012
	£'000	£'000
Depreciation of tangible fixed assets		
- owned	6,203	5,672
Impairment of tangible fixed assets		
- owned	-	3,575
Deficit on revaluations	6,700	-
Profit on disposal of fixed assets	(511)	-
Amortisation of intangible assets	142	378
Operating lease rentals		
- land and buildings	6,863	5,798
- plant and machinery	120	89
Fees payable to the Company's auditor for the audit of the Company's annual accounts	16	16

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.

Fees paid to the Company's auditor, KPMG Audit plc, and its associates for services other than the statutory audit of the Company are not disclosed in these accounts since the consolidated accounts of Bupa, the ultimate parent undertaking, disclose non-audit fees on a consolidated basis.

8. Tax on (loss)/profit on ordinary activities

(i) Analysis of tax charge in the year

	2013	2012
	£'000	£'000
Current tax		
UK corporation tax on (loss)/profit for the year	988	2,555
Adjustments in respect of prior periods	55	52
Total current tax	1,043	2,607
Deferred tax		
Origination and reversal of timing differences	(250)	(86)
Change in tax rates	(354)	(249)
Adjustments in respect of prior periods	(58)	(179)
Total deferred tax	(662)	(514)
Total tax on (loss)/profit on ordinary activities	381	2,093

Notes to the financial statements (continued)

8. Tax on (loss)/profit on ordinary activities (continued)

(ii) Factors affecting the tax charge

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

	2013 £'000	2012 £'000
(Loss)/Profit on ordinary activities before taxation	(4,634)	2,492
Tax on (loss)/profit on ordinary activities at standard UK corporation tax rate of 23.25% (2012: 24.5%)	(1,077)	611
Effects of		
Changes in tax rate	41	6
Non taxable income	-	(1,787)
Expenses not deductible for tax purposes	1,774	3,476
Accelerated capital allowances	250	74
Deferred tax and other short term timing differences	-	12
Other permanent timing differences	-	164
Adjustments to tax charge in respect of prior periods	55	51
Total current tax charge for year	1,043	2,607

The amount of deferred tax that has not been provided on revalued fixed assets and fixed assets subject to rollover relief is £8,620,000 (2012: £9,680,000). At present, it is not envisaged that any such tax will become payable in the foreseeable future.

9. Intangible assets

	Intangible assets £'000	Goodwill £'000	Total £'000
Cost			
At 1 January 2013 and 31 December 2013	4,955	4,225	9,180
Amortisation			
At 1 January 2013	874	4,225	5,099
Charge for the year	142	-	142
At 31 December 2013	1,016	4,225	5,241
Net book value			
At 31 December 2013	3,939	-	3,939
At 1 January 2013	4,081	-	4,081

Bupa Care Homes (ANS) Limited
Financial statements
Year ended 31 December 2013

Notes to the financial statements (continued)

10. Tangible fixed assets

	Land and buildings £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost or valuation			
At 1 January 2013	189,375	37,808	227,183
Additions	7,824	9,540	17,364
Disposals	(210)	(1,497)	(1,707)
Revaluations	(13,680)	-	(13,680)
At 31 December 2013	183,309	45,851	229,160
Depreciation			
At 1 January 2013	17,630	16,131	33,761
Charge for the year	1,956	4,247	6,203
Disposals	-	(1,496)	(1,496)
Adjustment for revaluations	(19,164)	-	(19,164)
At 31 December 2013	422	18,882	19,304
Net Book Value			
At 31 December 2013	182,887	26,969	209,856
At 31 December 2012	171,745	21,677	193,422

The Company's freehold land and buildings were valued by Knight Frank, Chartered Surveyors at 31 December 2013 on the basis of existing use. The valuation was made in accordance with the RICS Statement of Asset Valuation Practice and Guidance Notes. These valuations were incorporated into the balance sheet at 31 December 2013. Other tangible assets are stated at cost.

Analysis of cost or valuation of land and buildings

	2013 £'000	2012 £'000
At open market value	176,123	170,897
At cost	7,186	19,919
Disposal	-	(1,441)
Aggregate depreciation thereon	(422)	(4,130)
Impairment	-	(13,500)
	182,887	171,745
If land and buildings had not been revalued they would have been included at the following amounts		
	2013 £'000	2012 £'000
Historical cost of revalued assets	170,259	162,645
Depreciation based on historical cost	(24,116)	(20,711)
Historical cost net book value	146,143	141,934

Bupa Care Homes (ANS) Limited
Financial statements
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Notes to the financial statements (continued)

11. Investments

	2013 £'000
Subsidiary undertakings	
Cost	
At 1 January 2013	127,920
Additions	49,217
At 31 December 2013	177,137
Provisions for impairment	
At 1 January 2013	9,404
Charge for the year	-
At 31 December 2013	9,404
Net book value	
At 31 December 2013	167,733
At 31 December 2012	118,516

In the opinion of the directors the investments in the Company's subsidiaries are worth at least the amounts at which they are stated in the balance sheet

The principal subsidiary companies of the Company as at 31 December 2013 are listed below

	Class of shares	Principal activity
Belmont Care Limited	Ordinary	Owner and operator of nursing and residential homes for the elderly
Bupa Care Homes (AKW) Limited	Ordinary	Owner and operator of nursing and residential homes for the elderly
Bupa Care Homes (Carrick) Limited	Ordinary	Owner and operator of nursing and residential homes for the elderly
Richmond Care Villages Holdings Limited	Ordinary	Developer and operator of retirement villages in the UK through its subsidiary companies

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Notes to the financial statements (continued)

11. Investments (continued)

On 19 August 2013, the Company acquired the entire share capital of Richmond Care Villages Holdings Limited and its subsidiaries. The principal activity of this company is the development and operating of retirement villages.

The following table sets out the book values of the identifiable assets and liabilities acquired and their fair value to the Company

	2013 £'000
Intangible assets	14,962
Fixed assets	43,120
Investment properties	1,344
Stocks	18,166
Cash	790
Net other current liabilities	(2,913)
Long term loan	(38,806)
Deferred tax	(357)
Net assets	36,306
Goodwill	12,911
	49,217
Cash consideration	47,016
Acquisition costs	2,201
	49,217
Long term loan	38,806
Total consideration including acquisition costs	88,023

The summarised profit and loss account and the statement of total recognised gains and losses of Richmond Care Villages Holdings Limited and its subsidiaries for the period 1 January 2013 to 19 August 2013 are set out in the table below. The accounting policies are the same as those of the Company.

	1 January to 19 August 2013 £'000	2012 £'000
Turnover	18,370	31,313
Operating expenses	(31,961)	(25,428)
Operating (loss)/profit	(13,591)	5,885
Interest receivable and similar income	2	4
Interest payable and similar charges	(2,765)	(3,805)
(Loss)/profit on ordinary activities before taxation	(16,354)	2,084
Tax on (loss)/profit on ordinary activities	-	(7)
(Loss)/Profit for the year	(16,354)	2,077

There were no recognised gains or losses other than the profit for the financial year.

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12 Debtors – amounts falling due within one year

	2013	2012
	£'000	£'000
Other debtors	1,259	-

13. Creditors – amounts falling due within one year

	2013	2012
	£'000	£'000
Bank overdraft	833	-
Amounts owed to Group undertakings	17,975	6,686
Corporation tax	2	2
	18,810	6,688

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

				2013	2012
				£'000	£'000
Amounts owed to Group undertakings				153,745	245,637
Amounts owed to Group undertakings comprise					
	Date issued	Repayment date	Interest rate	2013	2012
				£'000	£'000
Bupa Care Homes (CFHCare) Limited	December 2011	December 2021	Six month LIBOR plus 120 basis points	-	245,637
Bupa Finance Plc	December 2013	December 2023	Six month LIBOR plus 110 basis points	153,745	-
				153,745	245,637

The Company performed a review of its financing requirements and has consolidated its various loans receivable and payable to Bupa group entities

15. Provisions for liabilities and charges

	Deferred taxation	Onerous Lease	Total
	£'000	£'000	£'000
At 1 January 2013	2,770	612	3,382
Provided in the year	-	49	49
Utilised in the year	(662)	(23)	(685)
At 31 December 2013	2,108	638	2,746

The onerous lease relates to an unoccupied property in Battersea, London

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16. Deferred tax

Net deferred tax liability is analysed as follows

	2013	2012
	£'000	£'000
Accelerated capital allowances	1,715	2,318
Other timing differences	393	452
Deferred tax liability	2,108	2,770

The net deferred tax liability is included within provision for liabilities

The movement for the year in the net deferred tax provision is as follows

	£'000
At 1 January 2013	2,770
Charged for year	(662)
At 31 December 2013	2,108

17. Called up share capital

	2013	2012
	£'000	£'000
Allotted, called up and fully paid		
140,000,000 (2012: 100) ordinary shares of £ 1 each	140,000	-

During the year the Company issued 140,000,000 ordinary shares

18. Reserves

	Revaluation reserve £'000	Profit and loss account £'000
At 1 January 2013	38,722	21,595
Loss for the year	-	(5,015)
Revaluation surplus	12,184	-
At 31 December 2013	50,906	16,580

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19. Reconciliation of movement in shareholders' funds

	2013	2012
	£'000	£'000
(Loss)/Profit for the year	(5,015)	399
Other recognised gains/(losses) relating to the year, net	12,184	(2,825)
New shares issued	140,000	-
Net addition to/(reduction in) shareholders' funds	147,169	(2,426)
Opening shareholders' funds	60,317	62,743
Closing shareholders' funds	207,486	60,317

20. Contingent liabilities and other financial commitments

(i) Contingent liabilities

Under a group registration the Company is jointly and severally liable for Value Added Tax due by certain other Bupa Group Companies

(ii) Financial commitments

At 31 December 2013 the Company had annual commitments under non-cancellable operating leases as set out below

	2013	2012
	£'000	£'000
Land and buildings		
Expiry date		
- after five years	6,712	6,712

(iii) Capital commitments

At 31 December 2013 the Company had capital commitments as set out below

	2013	2012
	£'000	£'000
Land and buildings	7,750	-