

BUPA CARE HOMES (CFG) PLC
(Registered No. 1969735)
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 22 JUNE 2009

WEDNESDAY



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COMPANIES HOUSE

BUPA CARE HOMES (CFG) PLC

REPORT OF THE DIRECTORS for the period ended 22 June 2009

The directors present their report and the financial statements for the period ended 22 June 2009.

1. Principal activity and review of business

The principal activity of the Company is that of a holding company for care home operators.

Results and dividends

The surplus for the period, after taxation, amounted to £46,070,000 (year ended 31 December 2008 – £37,537,000). The Company has net assets of £206,993,000 (year ended 31 December 2008 - £160,923,000).

No dividend was declared and paid for the period (year ended 31 December 2008 – 21.6p per ordinary shares amounting to £35,000,000).

2. Conversion to International Financial Reporting Standards

The ultimate parent undertaking, The British United Provident Association Limited (Bupa), has prepared Group accounts in accordance with International Financial Reporting Standards (IFRS). The Company is not required to report under IFRS and therefore these accounts are prepared in accordance with applicable UK accounting standards.

3. Directors and directors' interests

Details of the present directors and any other person who served as a director during the period are set out below:

M Ellerby
N R Taylor
N T Beazley
F D Gregory
M A Merchant
A V Morales

The Directors had no interests requiring disclosure under Section 234 of the Companies Act 1985.

4. 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.

Registered Office
Bridge House
Outwood Lane
Horsforth
Leeds
LS18 4UP

22 June 2009

By Order of the Board



N R Taylor
Director

BUPA CARE HOMES (CFG) PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing 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 the directors have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The 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.

BUPA CARE HOMES (CFG) PLC**PROFIT AND LOSS ACCOUNT**
for the period ended 22 June 2009

	Note	1 January 2009 to 22 June 2009 £'000	1 January 2008 to 31 December 2008 £'000
Income from shares in group undertakings	3	49,000	45,000
Interest receivable and similar income	4	1,019	7,282
Interest payable and similar charges	5	<u>(4,137)</u>	<u>(13,759)</u>
Profit on ordinary activities before taxation		45,882	38,523
Tax on profit on ordinary activities	6	<u>188</u>	<u>(986)</u>
Profit for the financial period		<u>46,070</u>	<u>37,537</u>

The operating profit is all derived from continuing operations.

There were no recognised gains and losses other than the profit for the financial period.

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

The accounting policies and notes on pages 5 to 9 form part of these financial statements.

BUPA CARE HOMES (CFG) PLC**BALANCE SHEET**
as at 22 June 2009

	Note	22 June 2009 £'000	31 December 2008 £'000
Fixed assets			
Investments	8	<u>227,489</u>	<u>227,489</u>
Current assets			
Debtors due after one year	9	145,861	95,841
Creditors: amounts falling due within one year	10	<u>(30,725)</u>	<u>(27,868)</u>
Net current assets		<u>115,136</u>	<u>67,973</u>
Total assets less current liabilities		342,625	295,462
Creditors: amounts falling due after more than one year	11	<u>(135,632)</u>	<u>(134,539)</u>
Net assets		<u>206,993</u>	<u>160,923</u>
Capital and reserves			
Called up share capital	12	40,553	40,553
Share premium account	13	114,141	114,141
Capital redemption reserve	13	2,110	2,110
Profit and loss account	13	<u>50,189</u>	<u>4,119</u>
Shareholders' funds		<u>206,993</u>	<u>160,923</u>

These financial statements were approved by the Board of Directors on 22 June 2009 and were signed on its behalf by:



N R Taylor
Director

The accounting policies and notes on pages 5 to 9 form part of these financial statements.

BUPA CARE HOMES (CFG) PLC

NOTES TO THE FINANCIAL STATEMENTS for the period ended 22 June 2009

1. STATEMENT OF ACCOUNTING POLICIES

(a) Significant accounting policies

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

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, pursuant to paragraph 17 of Financial Reporting Standard No. 8: Related Party Disclosures (FRS 8), not included details of transactions with other companies which are subsidiary undertakings of Bupa. There were no other related party transactions.

Accounting conventions

A summary of the more significant accounting policies, which have been applied consistently, is set out below.

(b) Investments

Investments are carried at cost less provision for impairment in value.

(c) Taxation

The charge for taxation is based on the result for the period.

2. STAFF COSTS AND DIRECTORS' REMUNERATION

The emoluments of the Directors are borne entirely by other Group companies. The Company has no other employee costs during the period.

3. INCOME FROM SHARES IN GROUP UNDERTAKINGS

	1 January 2009 to 22 June 2009 £'000	1 January 2008 to 31 December 2008 £'000
Ordinary dividends	<u>49,000</u>	<u>45,000</u>

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	1 January 2009 to 22 June 2009 £'000	1 January 2008 to 31 December 2008 £'000
Loan to Group undertakings	<u>1,019</u>	<u>7,282</u>

BUPA CARE HOMES (CFG) PLC

NOTES TO THE FINANCIAL STATEMENTS
for the period ended 22 June 2009

5. INTEREST PAYABLE AND SIMILAR CHARGES

	1 January 2009 to 22 June 2009 £'000	1 January 2008 to 31 December 2008 £'000
Loan note	2,845	5,900
Loan from Group undertaking	1,292	7,859
	<u>4,137</u>	<u>13,759</u>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

(i) Analysis of tax (credit)/charge in the period

	1 January 2009 to 22 June 2009 £'000	1 January 2008 to 31 December 2008 £'000
Current tax		
UK corporation tax on profit for the period	(188)	(476)
Adjustments in respect of prior periods	-	1,462
	<u>(188)</u>	<u>986</u>

(ii) Factors affecting the tax credit

The tax credit for the period is lower than the standard rate of corporation tax in the UK of 28% (1 January 2008 to 31 December 2008 - 28.5%). The differences are explained below:

	1 January 2009 to 22 June 2009 £'000	1 January 2008 to 31 December 2008 £'000
Profit on ordinary activities before tax	<u>45,882</u>	<u>38,523</u>
Tax charge on profit/on ordinary activities at 28% (2008 – 28.5%)	12,847	10,979
Effect of:		
Expenses not deductible for tax purposes	(13,720)	(12,824)
Transfer pricing adjustment	685	1,369
Adjustments to tax charge in respect of prior period	-	1,462
	<u>(188)</u>	<u>986</u>

7. DIVIDENDS

	1 January 2009 to 22 June 2009 £'000	1 January 2008 to 31 December 2008 £'000
Equity – ordinary		
No final dividend is proposed for the period (year ended 31 December 2008 - paid 21.6p per ordinary share)	-	35,000

BUPA CARE HOMES (CFG) PLC

NOTES TO THE FINANCIAL STATEMENTS for the period ended 22 June 2009

8. INVESTMENTS

	Shares in subsidiary undertakings £'000	Loans to subsidiary undertakings £'000	Other investments £'000	Total £'000
Cost				
1 January 2009 and 22 June 2009	156,924	52,000	23,155	232,079
Provision				
1 January 2009 and 22 June 2009	(4,590)	-	-	(4,590)
Net book value at 22 June 2009	152,334	52,000	23,155	227,489
Net book value at 31 December 2008	152,334	52,000	23,155	227,489

At 22 June 2009, the Company owned the whole of the issued share capital of the following undertakings, either directly or indirectly, all of which operate in the United Kingdom:

Name	Ordinary shares number	Nominal value £	Business activity	Place of registration
Bupa Care Homes Group Limited	50,000,000	1	Holding company of care homes operators	England and Wales
Bupa Care Homes (CFHCare) Limited*	124,999,999	1	Owner and operator of care homes	England and Wales
Bupa Care Homes (CFCHomes) Limited *	53,368,562	1	Owner and operator of care homes	England and Wales
Bupa Care Homes (Partnerships) Limited *	100	1	Owner and operator of care homes	England and Wales
Bupa Care Homes (Bedfordshire) Limited	2,000,002	1	Owner and operator of care homes	England and Wales
Bupa Care Homes (GL) Limited *	22,296,637	1	Owner and operator of care homes	England and Wales
Bupa Care Homes (BNH) Limited *	156	1	Owner and operator of care homes	England and Wales
Bupa Care Homes (AKW) Limited	1	1	Owner and operator of care homes	England and Wales
Bupa Care Homes (Carrick) Limited	151,000	1	Owner and operator of care homes	Scotland
Crispins Nursing Homes Limited	1,000	1	Owner and operator of care homes	England and Wales
Bupa Care Homes (Developments) Limited	2,200,000	1	Developer of care homes	England and Wales
Surgichem Limited	100,000	1	Manufacturer and distributor of monitored drug dosage systems	England and Wales
Care First at Home Limited	100	1	Leasing assets to Group entities	England and Wales
Kyle Building Services Limited *	100	1	Developer of care homes	Scotland

* Investment held by subsidiary undertaking

In addition to the companies listed above, the Company either directly or indirectly owns a number of non-trading subsidiary companies. Subsidiary undertakings are included at cost less provisions. The other investments relate to 11% of the shares of ANS 2003 Plc acquired in September 2005 for a consideration of £23,155,000 from fellow Group undertakings.

BUPA CARE HOMES (CFG) PLC**NOTES TO THE FINANCIAL STATEMENTS
for the period ended 22 June 2009****9. DEBTORS**

	22 June 2009 £'000	31 December 2008 £'000
Amounts falling due after one year:		
Amounts owed by Group undertakings	<u>145,861</u>	<u>95,841</u>

The amounts falling due after one year owed by Group undertakings include loans issued on 18 February 2000 to Bupa Investments Limited. The loans are repayable in 2030 and bear interest at 6.4% per annum.

10. CREDITORS – amounts falling due within one year

	22 June 2009 £'000	31 December 2008 £'000
Bank loans and overdraft	-	2,950
Amounts owed to Group undertakings	27,880	24,918
Accruals and deferred income	<u>2,845</u>	<u>-</u>
	<u>30,725</u>	<u>27,868</u>

11. CREDITORS – amounts falling due after more than one year

	22 June 2009 £'000	31 December 2008 £'000
11.8% debenture stock	50,000	50,000
Amounts owed to Group undertakings	<u>85,632</u>	<u>84,539</u>
	<u>135,632</u>	<u>134,539</u>
Loans are repayable as follows:		
In five years or more	<u>50,000</u>	<u>50,000</u>

The 11.8% debenture stock is repayable at par in 2014. The stock is secured by a fixed charge over certain of the Group's assets and a first floating charge over the businesses attached thereto and a general floating charge over the remainder of the assets of the Company and Bupa Care Homes (CFHCare) Limited.

The amount due to Group undertakings due after more than one year relates to a loan from Bupa Blackbird Investments LLP, repayable on demand and bearing interest at a rate of six months LIBOR plus 40 base points.

BUPA CARE HOMES (CFG) PLC

NOTES TO THE FINANCIAL STATEMENTS
for the period ended 22 June 2009

12. SHARE CAPITAL

	22 June 2009 £'000	31 December 2008 £'000
Authorised		
Equity interests		
220,000,000 ordinary shares of 25 pence each	<u>55,000</u>	<u>55,000</u>
Allotted, called up and fully paid		
Equity interests		
162,213,958 ordinary shares of 25 pence each	<u>40,553</u>	<u>40,553</u>

13. RESERVES

	Share premium account £'000	Capital redemption reserve fund £'000	Profit and loss account £'000
At 1 January 2009	114,141	2,110	4,119
Retained profit for the period	<u>-</u>	<u>-</u>	<u>46,070</u>
At 22 June 2009	<u>114,141</u>	<u>2,110</u>	<u>50,189</u>

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1 January 2009 to 22 June 2009 £'000	1 January 2008 to 31 December 2008 £'000
Profit for the financial period	46,070	37,537
Dividends	<u>-</u>	<u>(35,000)</u>
Retained profit for the financial period and net addition to shareholders' funds	46,070	2,537
Opening shareholders' funds	<u>160,923</u>	<u>158,386</u>
Closing shareholders' funds	<u>206,993</u>	<u>160,923</u>