

Bupa Care Homes (CFG) plc
(Registered number 1969735)
Annual report and financial statements
for the year ended
31 December 2015

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Bupa Care Homes (CFG) plc
Financial statements
Year ended 31 December 2015

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Bupa Care Homes (CFG) plc
Financial statements
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Directors' report

The directors present their annual report and the financial statements of Bupa Care Homes (CFG) plc ("the Company") for the year ended 31 December 2015.

1. Future development

The future development of the Company is described in the strategic report.

2. Directors

The directors who served during the year and subsequently were as follows:

A J Cannon	resigned	23 July 2015
D E Hynam	appointed	23 July 2015
K Moore	resigned	29 February 2016
G Pueyo Roberts	resigned	2 February 2015
C A Jaureguizar Ruiz-Jarabo		
J S Picken		

3. 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 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 Financial Reporting Standard 101 *Reduced Disclosure Framework* which was adopted in the period.

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.

5. 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.

6. Auditor

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

Registered Office:

Bridge House
Outwood Lane
Horsforth
Leeds
LS18 4UP

13 May 2016



D E Hynam
Director

Strategic report

Principal activities

The principal activity of the Company for the year was that of the ownership of companies that are engaged in owning and operating nursing and residential homes for the elderly. The Company, together with fellow UK subsidiary undertakings of Bupa, with similar activities, form Bupa Care Homes.

Key performance indicators

The Company and its subsidiaries delivered good growth in turnover, customers and underlying profit in the UK, despite challenging market conditions. An increased loss in the subsidiaries resulted from the director's decision to impair care home assets in light of the challenging economic climate both presently and particularly in the future resulting from the introduction of the National Living Wage from April 2016 combined with ongoing funding pressures experienced by local authorities.

Business model

Bupa Care Homes is a leading care homes operator in the UK providing nursing, dementia and residential care to more than 17,000 residents in approximately 280 homes of which 74% are funded wholly or partly by the public sector through local authorities (LAs) and NHS Clinical Commissioning Groups (CCGs).

Bupa Care Homes is focused on meeting the changing healthcare needs and concerns of its customers and society by developing innovative products and services and campaigning to make healthcare more affordable and accessible to deliver better value for money. By investing in its people and care homes, Bupa Care Homes will continue to address the health and care needs of the UK's growing ageing population whilst campaigning strongly for appropriate investment from national and local government in the health and social care system to meet the cost of delivering care.

During 2015, the Government signalled the introduction of the National Living Wage from April 2016. This will present a significant operating cost burden to all providers of social care in the UK. Bupa Care Homes supports the introduction of the National Living Wage provided it is adequately funded such that the social care sector is sustainable; and has been engaging the Government during 2015 ahead of the Spending Review. The impact of the Spending Review remains unclear, particularly in terms of the implementation of the Council Tax precept for 2016/17. The Company is actively renegotiating fees to ensure that they cover the true costs of care but note that in creating the Council Tax precept the Government has recognised the strategic contribution the sector makes and the challenges it faces.

Future outlook

Bupa Care Homes aims to build an extraordinary culture and to make a positive impact in the local communities. Over 16,000 people in Bupa Care Homes contributed and shared their views in our annual employee survey. It showed the employee engagement to have improved by two percentage points compared to the previous year. Employees have access to Bupa Fit, as part of the commitment to helping them feel healthier for working at Bupa Care Homes. Bupa Fit offers early intervention services to speed up access to diagnosis and treatment and physiotherapy for muscle, bone and joint conditions. It also provides fast, direct self-referral for mental health conditions. During 2016, Bupa Care Homes will continue to focus on playing a leadership role in the sector in engaging national and local government to pay for the true cost of care for some of the most vulnerable in our society. The implementation of the National Living Wage will clearly be a key priority.

Bupa Care Homes will continue to

- invest in its portfolio of care homes;
- invest in the development of new products, services and online tools;
- engage more people in their health and wellbeing and funding projects to reduce its carbon footprint;
- provide anytime Healthline for round-the-clock medical advice from a nurse or GP

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Strategic report (continued)

Business review and results

Results

The profit for the year, after taxation, amounted to £2,103,000 (2014: £12,431,000). The Company had net assets of £245,632,000 (2014: £243,529,000).

Dividends

The directors do not recommend the payment of a dividend for the year (2014: £nil).

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 chronic underfunding of social care in the UK and policy changes such as the introduction of a National Living Wage, making it difficult to plan and mitigate for such policies effectively.

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
LS18 4UP



13 May 2016

D E Hynam
Director

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

The directors are responsible for preparing the directors' report, the 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), including FRS 101 *Reduced Disclosure Framework*.

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 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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

Independent auditor's report to the members of Bupa Care Homes (CFG) plc

We have audited the financial statements of Bupa Care Homes (CFG) plc for the year ended 31 December 2015 set out on pages 6 to 19. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 directors' responsibilities 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. 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements. Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the strategic report and the directors' report:

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

Matters on which we are required to report by exception

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

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



Johnathan Pass (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

1 Sovereign Square

Sovereign Street

Leeds

LS1 4DA

19 May 2016

Bupa Care Homes (CFG) plc
Financial statements
Year ended 31 December 2015

Profit and loss account

	Note	2015 £'000	2014 £'000
(Loss)/Profit on disposal of discontinued business		(84)	11,558
Other interest receivable and similar income	3	5,026	5,631
Interest payable and similar charges	4	(2,428)	(4,519)
		2,514	12,670
Tax on profit on ordinary activities	6	(411)	(239)
Profit for the financial year		2,103	12,431

All activities relate to continuing operations.

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

The accounting policies and notes on pages 10 to 19 form part of these financial statements.

Bupa Care Homes (CFG) plc
Financial statements
Year ended 31 December 2015

Statement of other comprehensive income

	2015	2014
	£'000	£'000
Profit for the year	2,103	12,431
Total comprehensive income for the year	2,103	12,431

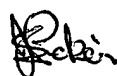
The accounting policies and notes on pages 10 to 19 form part of these financial statements.

Bupa Care Homes (CFG) plc
Financial statements

Balance sheet
as at 31 December 2015

	Note	2015 £'000	2014 £'000
Fixed assets			
Investments	7	386,260	375,467
Current assets			
Debtors			
- due within one year	8	1,352	-
- due after one year	8	22	24
		1,374	24
Cash at bank and in hand		-	1,829
		1,374	1,853
Creditors: amounts falling due within one year	9	(498)	(295)
Net current assets		876	1,558
Total assets less current liabilities		387,136	377,025
Creditors: amounts falling due after more than one year	10	(141,504)	(133,496)
		245,632	243,529
Capital and reserves			
Called up share capital	12	40,553	40,553
Share premium		114,141	114,141
Capital redemption reserve		2,110	2,110
Profit and loss account		88,828	86,725
		245,632	243,529

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



J S Picken
Director

13 May 2016

Registered number: 1969735

The accounting policies and notes on pages 10 to 19 form part of these financial statements.

Bupa Care Homes (CFG) plc
Financial statements
Year ended 31 December 2015
Statement of changes in equity

	Note	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000
Balance at 1 January 2015		40,553	114,141	2,110	86,725	243,529
Profit for the year		-	-	-	2,103	2,103
Balance as at 31 December 2015		40,553	114,141	2,110	88,828	245,632
At 1 January 2014 (as previously reported)		40,553	114,141	2,110	74,270	231,074
Effect of changes in accounting policies	15	-	-	-	24	24
Balance at 1 January 2014 restated		40,553	114,141	2,110	74,294	231,098
Profit for the year		-	-	-	12,431	12,431
Balance as at 31 December 2014		40,553	114,141	2,110	86,725	243,529

The accounting policies and notes on pages 10 to 19 form part of these financial statements.

Accounting policies

1. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101). The amendments to FRS 101 (2013/14 Cycle) issued in July 2014 and effective immediately have been applied. In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU (IFRS), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken. In these financial statements, the Company has adopted early FRS 101 and for the first time. The financial statements have been prepared under the historical cost convention.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported profit and loss account and balance sheet of the Company is provided in note 15. 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.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Accounting policy 2.

1.2 Exemptions from the requirements of IFRS

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7 Financial Instruments: Disclosures (IFRS 7)
- Paragraphs 91 to 99 of IFRS 13 Fair value measurement (IFRS 13) relating to disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities
- Paragraph 38 of IAS 1 Presentation of financial statements (IAS 1) comparative information requirements in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1;
 - (ii) paragraph 73(e) of IAS 16 Property, plant and equipment (IAS 16);
 - (iii) paragraph 118(e) of IAS 38 Intangible assets (IAS 38) regarding reconciliations between the carrying amount at the beginning and end of the period
- The following paragraphs of IAS 1:
 - 10(d) statement of cash flows
 - 10(f) a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements
 - 16 statement of compliance with all IFRS
 - 38A requirement for minimum of two primary statements, including cash flow statements
 - 38B-D additional comparative information
 - 40A-D requirements for a third statement of financial position
 - 111 cash flow statement information
 - 134-136 capital management disclosures
- IAS 7 Statement of cash flows (IAS 7)
- Paragraph 30 and 31 of IAS 8 Accounting policies, changes in accounting estimates and errors (IAS 8) regarding requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective
- Paragraph 17 of IAS 24 Related party disclosures (IAS 24) regarding key management compensation

Accounting policies (continued)

1.3 New and amended standards adopted by the Company

The following standards have been adopted by the Company for the first time for the financial year beginning on or after 1 January 2015 and have a material impact on the Company:

- Amendment to IAS 1 regarding other comprehensive income. The main change resulting from these amendments is a requirement for the Company to classify items presented in 'other comprehensive income' (OCI) on the basis of whether they can potentially be reclassified to profit or loss subsequently (reclassification adjustments).

1.4 Going concern

The Company meets its day to day working capital requirements through its cash reserves and borrowings. The current economic conditions continue to create uncertainty particularly over the level of demand for the Company's services. The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within the level of its current cash reserves and borrowings. After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

1.5 Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

1.6 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 except to the extent that it relates to items recognised directly in other comprehensive income, in which case it is recognised directly in the statement of comprehensive income.

Current taxation is the expected taxation payable on the taxable profit for the year, using taxation rates enacted or substantively enacted at the balance sheet date, and any adjustments to taxation payable in respect of previous years.

Deferred taxation is recognised in full using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The following temporary differences are not recognised: goodwill not deductible for taxation purposes and the initial recognition of an asset or liability in a transaction that is not a business combination and which, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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.

1.7 Investment

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value.

Accounting policies (continued)

1.8 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

1.9 Share capital

Ordinary shares are classified as equity.

1.10 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.11 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit and loss account over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2. Critical accounting estimates and judgments

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Property valuations of subsidiary undertakings

The Company's subsidiary undertakings has a significant portfolio of care homes and fluctuations in the value of this portfolio can have significant impact on the profit and loss account and balance sheet of the Company.

Bupa Care Homes (CFG) plc
Financial statements
Year ended 31 December 2015
Notes to the financial statements

1. Immediate and ultimate parent company

The immediate parent undertaking of the Company is Grupo Bupa Sanitas S.L.U., a company incorporated in Spain.

The ultimate parent undertaking of the Company, and the largest group into which these financial statements are consolidated, is The British United Provident Association Limited (Bupa), a company incorporated in England and Wales. The smallest group into which these financial statements are consolidated is that headed by Bupa Finance plc, a company incorporated in England and Wales.

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

2. Staff costs and directors' remuneration

The emoluments of the directors are borne entirely by the other Bupa Group companies and are disclosed in the financial statements of those companies. The Company had no other employee costs during the current or preceding year.

3. Other interest receivable and similar income

	2015	2014
	£'000	£'000
Bupa Group undertakings	5,026	5,631

4. Interest payable and similar charges

	2015	2014
	£'000	£'000
Bupa Group undertakings	2,428	1,569
Bank loans and overdrafts	-	2,950
	2,428	4,519

5. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2015	2014
	£'000	£'000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	2	2

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.

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Notes to the financial statements (continued)

6. Tax on profit on ordinary activities

(i) Tax included in profit or loss

	2015	2014
	£'000	£'000
UK corporation tax on profit for the year	526	239
Adjustments in respect of prior periods	(117)	-
Total current tax	409	239
Deferred tax		
Adjustments in respect of prior periods	2	-
Total deferred tax	2	-
Total tax on profit on ordinary activities	411	239

(ii) Reconciliation of effective tax rate

	2015	2014
	£'000	£'000
Profit on ordinary activities before taxation	2,514	12,670
Tax on profit on ordinary activities at standard UK corporation tax rate of 20.25% (2014: 21.5%)	509	2,724
Effects of:		
Non-deductible expenses	17	(2,485)
Current income taxation adjustments in respect of prior periods	(117)	-
Changes in taxation rate	2	-
Tax on profit on ordinary activities	411	239

7. Investments

2015	Shares in subsidiary undertaking	Loan to group undertakings	Total
Cost	£'000	£'000	£'000
At 1 January 2015	159,201	266,267	425,468
Additions	-	10,793	10,793
At 31 December 2015	159,201	277,060	436,261
Provisions for impairment			
At 1 January 2015 and 31 December 2015	50,001	-	50,001
Net Book Value			
At 31 December 2015	109,200	277,060	386,260
At 31 December 2014	109,200	266,267	375,467

Bupa Care Homes (CFG) plc
Financial statements
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Notes to the financial statements (continued)

7. Investments (continued)

	Shares in subsidiary undertaking	Loan to group undertakings	Total
Cost			
At 1 January 2014	156,909	285,116	442,025
Additions	25,000	-	25,000
Disposal	(22,708)	-	(22,708)
Repayments	-	(18,849)	(18,849)
At 31 December 2014	159,201	266,267	425,468
Provisions for impairment			
At 1 January 2014	72,666	-	72,666
Disposal	(22,665)	-	(22,665)
At 31 December 2014	50,001	-	50,001
Net Book Value			
At 31 December 2014	109,200	266,267	375,467
At 31 December 2013	84,243	285,116	369,359

	Holding %	Class of Shares	Country of incorporation
Bupa Care Homes Group Limited	100	Ordinary	England and Wales
Bupa Care Homes (CFHCare) Limited*	100	Ordinary	England and Wales
Bupa Care Homes (CFCHomes) Limited*	100	Ordinary	England and Wales
Bupa Care Homes (Partnerships) Limited*	100	Ordinary	England and Wales
Bupa Care Homes (Bedfordshire) Limited	100	Ordinary	England and Wales
Bupa Care Homes (GL) Limited*	100	Ordinary	England and Wales
Bupa Care Homes (BNH) Limited*	100	Ordinary	England and Wales
Bupa Care Homes (Developments) Limited	100	Ordinary	England and Wales

* Investment held by subsidiary undertaking

During 2014 the Company sold the entire investment in Surgichem limited.

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.

Bupa Care Homes (CFG) plc
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Year ended 31 December 2015

Notes to the financial statements (continued)

7. Investments (continued)

Loans to group undertakings

Loans to Bupa Group undertakings are repayable after five years as follows

Group undertakings	Date issued	Repayment date	Interest rate	2015 £'000	2014 £'000
Bupa Care Homes (GL) Limited	December 2013	December 2023	Six month LIBOR plus 110 basis points	4,388	3,598
Bupa Care Homes Group Limited	December 2013	December 2023	Six month LIBOR plus 110 basis points	97,439	97,031
Bupa Care Homes (CFCHomes) Limited	December 2013	December 2023	Six month LIBOR plus 110 basis points	53,885	55,514
Bupa Care Homes (CFHCare) Limited	December 2013	December 2023	Six month LIBOR plus 110 basis points	121,348	110,124
				277,060	266,267

8. Debtors

	2015 £'000	2014 £'000
Amounts due within one year		
Amounts owed by Bupa Group undertakings	1,352	-
	2015 £'000	2014 £'000
Amounts due after one year		
Deferred tax	22	24

9. Creditors – amounts falling due within one year

	2015 £'000	2014 £'000
Amounts owed to Bupa Group undertakings	491	295
Accruals and deferred income	7	-
	498	295

Amounts owed to Bupa Group undertakings are unsecured, have no fixed date of repayment and are repayable on demand.

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Notes to the financial statements (continued)

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

				2015	2014
				£'000	£'000
Loans owed to Bupa Group undertakings				141,504	133,496
Loans to Bupa Group undertakings are repayable after five years as follows					
Group undertakings	Date issued	Repayment date	Interest rate	2015	2014
				£'000	£'000
Bupa Finance plc	December 2013	December 2023	110 basis points over six-month LIBOR	123,403	121,210
Bupa Care Homes (Bedfordshire) Limited	December 2013	December 2023	110 basis points over six-month LIBOR	5,898	5,593
Bupa Care Homes (Partnerships) Limited	December 2013	December 2023	110 basis points over six-month LIBOR	2,109	338
Bupa Care Homes (BNH) Limited	December 2013	December 2023	110 basis points over six-month LIBOR	10,094	6,355
				141,504	133,496

11. Deferred tax

Deferred taxation is analysed as follows

	2015	2015	2015	2014	2014	2014
	Assets	Liabilities	Total	Assets	Liabilities	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Capital losses	22	-	22	24	-	24

The movement in deferred taxation is as follows

	At 1 January 2015	Recognised in profit and loss account	Recognised in other comprehensive income	At 31 December 2015
	£'000	£'000	£'000	£'000
Capital losses	24	(2)	-	22

	At 1 January 2014	Recognised in profit and loss account	Recognised in other comprehensive income	At 31 December 2014
	£'000	£'000	£'000	£'000
Capital losses	24	-	-	24

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12. Called up share capital

	2015	2014
	£'000	£'000
Allotted, called up and fully paid		
162,213,958 (2014:162,213,958) ordinary shares of 25 pence each	40,553	40,553

13. Contingent liabilities, guarantees and other financial commitments

(i) Contingent liabilities

At 31 December 2014, the Company was party to a £800million revolving credit facility. The Company has joint and several liability for all obligations under the agreement.

(ii) Guarantees

The Company has given a guarantee in respect of a £350million bond issue by Bupa Finance plc.

(iii) Financial commitments

The Company has no outstanding commitments at the end of either year.

14. Related party transactions

	2015	2014
	£'000	£'000
Interest payable to Bupa Group undertakings	(2,428)	(1,569)
Interest receivable from Bupa Group undertakings	5,026	5,631
Amounts owed by Bupa Group undertakings	1,352	-
Amounts owed to Bupa Group undertakings	(491)	(295)
Loan due by Bupa Group undertakings	277,060	266,267
Loan due to Bupa Group undertakings	(141,504)	(133,496)

See note 2 for disclosure of the directors' remuneration

15. Explanation of transition to FRS 101

As stated in Accounting policy 1.1, these are the Company's first financial statements prepared in accordance with FRS 101. The accounting policies above have been applied in preparing the financial statements for the year ended 31 December 2015, the comparative information presented in these financial statements for the year ended 31 December 2014 and in the preparation of an opening FRS 101 balance sheet at 1 January 2014 (the Company's date of transition). In preparing its FRS 101 balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP). An explanation of how the transition from UK GAAP to FRS 101 has affected the Company's financial position is set out in the following tables and the notes that accompany the tables.

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15. Explanation of transition to FRS 101 (continued)

Reconciliation of equity

As at 31 December 2014

		UK GAAP £'000	Effects of transition to FRS101 £'000	FRS101 £'000
Investments	(a)	109,200	266,267	375,467
Debtors	(b)	266,267	(266,243)	24
Cash at bank and in hand		1,829	-	1,829
Creditors: amounts falling due within one year		(295)	-	(295)
Creditors: amounts falling due after more than one year		(133,496)	-	(133,496)
Net assets		243,505	24	243,529
Called up share capital		40,553	-	40,553
Share premium		114,141	-	114,141
Capital redemption reserve		2,110	-	2,110
Profit and loss account	(b)	86,701	24	86,725
		243,505	24	243,529

Reconciliation of profit and loss account

Year ended 31 December 2014

		UK GAAP £'000	Effects of transition to FRS101 £'000	FRS101 £'000
Profit of disposal on discontinued business		11,558	-	11,558
Other interest receivable and similar income		5,631	-	5,631
Interest payable and similar charges		(4,519)	-	(4,519)
Tax on loss on ordinary activities	(b)	(239)	-	(239)
Profit for the financial year		12,431	-	12,431

Reconciliation of statement of other comprehensive income

Year ended 31 December 2014

		UK GAAP £'000	Effects of transition to FRS101 £'000	FRS101 £'000
Profit for the year		12,431	-	12,431
Total comprehensive income for the year		12,431	-	12,431

(a) Investments

Re-statement of long term loans receivable to be recognised as investments in line with the requirements of Statutory Instruments 2008 number 410.

(b) Deferred tax on capital losses

Under the old basis of accounting (UK GAAP), no deferred tax was recognised on capital losses. After re-measurement under FRS101, deferred tax is now recognised on these losses.

Reconciliation of equity at 1 January 2014

The reconciliation of equity at 1 January 2014 relates to the deferred tax adjustment to capital losses