

Bupa Care Homes (CFG) plc
(Registered number 1969735)
Annual report and financial statements
for the year ended
31 December 2016

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Bupa Care Homes (CFG) plc
Financial statements
Year ended 31 December 2016

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Strategic report

Principal activities

The primary activity of Bupa Care Homes (CFG) plc (“the Company”) for the year was to act as a holding company for a number of direct subsidiaries that are engaged in owning and operating nursing and residential homes for the elderly. The Company, together with fellow UK subsidiary undertakings of The British United Provident Association (“Bupa”), with similar activities, form Bupa Care Services (“BCS”).

Key performance indicators

During the year, the business delivered an operating loss of £195m (2015: profit of £3m). As a holding company, the most significant impact towards the result for the year has been the effect of revaluations in investments in subsidiaries. During the period several increases in provisions against investments in subsidiaries were made, following care home portfolio reorganisations within the BCS group. This impairment charge was partially offset by increased interest receivable on intragroup loan assets and profit on disposal of a subsidiary.

Business model

The Company operates as part of the wider Bupa Care Services business, which provides care to around 17,000 residents in 280 care homes, of which 73% are funded wholly or partly by the public sector through local authorities (LAs), NHS Clinical Commissioning Groups (“CCGs”) and other public sector commissioners.

BCS is focused on meeting the changing healthcare needs and concerns of its customers and society. By investing in its people and services, BCS will continue to address the health and care needs of the UK’s growing ageing population whilst making the case for appropriate investment from national and local government in the health and social care system to meet the cost of delivering care.

The UK aged care sector remains under pressure with increased costs including the ongoing impact of the National Living Wage, first introduced in April 2016. BCS continues to take a disciplined approach to fee negotiations with Local Authorities, Clinical Commissioning Groups and other commissioners in order to recover the true cost of caring for publicly-funded residents.

The combination of a national shortage of appropriately qualified nurses, and increased agency dependency across the sector, has seen the cost of nursing care increase. In response, in 2016, there was an interim increase in the NHS Funded Nursing Care (“FNC”) contribution in England towards the cost of providing registered nursing care.

Future outlook

BCS is committed to working to ensure that public funds for adult social care are used to the best effect. We will continue our disciplined approach to fee negotiations and have seen success in our focus on recovering the cost of caring for our residents from local authority contracts.

Since the 2015 Spending Review which announced new powers for councils to meet their funding obligations for social care, the 2017/18 Local Government Finance Settlement has been announced which details further changes for social care funding, including the introduction of a £240m adult social care grant and the decision to allow councils to raise the social care precept by 3% rather than 2% in 2017-18 and 2018-19. The spring budget of March 2017 announced further increases in local authority funding for social care in England.

Following the 2017 general election, the outlook for longer term reform of the social care funding system in England is unclear. During 2017, BCS, along with others in the sector, will continue to push for adequate funding in the sector, both in the short term and over the longer term, and for local authorities and other public sector commissioners to pay for the true cost of care.

BCS is committed to providing high quality facilities and services for the UK’s growing ageing population and will continue to invest in our portfolio of care homes.

Strategic report (continued)

Business review and results

Results

The loss for the year, after taxation, amounted to £196,491,000 (2015: profit £2,103,000). The Company had net assets of £49,141,000 (2015: £245,632,000).

Principal risks and uncertainties

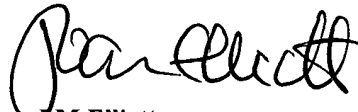
The Company and its strategy are subject to a number of risks and uncertainties. Management consider that the key risks and uncertainties arise as a result of chronic underfunding of social care in the UK and policy changes such as future changes to the National Living Wage, making it difficult to plan and mitigate for such policies effectively.

Further information relating to the Company, as applicable to Bupa and its subsidiaries and holding companies or subsidiaries of such holding companies ("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

By Order of the Board



J M Elliott
Director

20 June 2017

Directors' report

The directors present their annual report and the financial statements of the Company for the year ended 31 December 2016.

1. 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. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

2. Future development

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

3. Directors

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

C E Barton	appointed	17 November 2016
D E Hynam	resigned	17 November 2016
J M Elliott	appointed	11 August 2016
C A Jaureguizar Ruiz-Jarabo		
J S Picken		
K Moore	Resigned	29 February 2016

4. Dividends

The directors do not recommend the payment of a dividend for the year (2015: £nil).

5. 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 Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

6. 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.

7. Disclosure of information to auditor

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

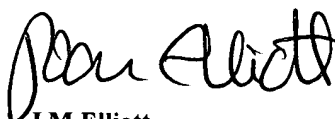
- so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

8. 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

By Order of the Board


J M Elliott
Director

20 June 2017

Statement of directors' responsibilities

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:

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 2016 set out on pages 6 to 17. 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 2016 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 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.



Chris Butt (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

23 June 2017

Profit and loss account and statement of other comprehensive income

	Note	2016 £'000	2015 £'000
Impairment provision and other expenses	7	(212,012)	(84)
Profit on disposal of subsidiary		9,000	-
Other interest receivable and similar income	3	8,250	5,026
Interest payable and similar charges	4	(180)	(2,428)
		(194,942)	2,514
Tax on (loss)/profit on ordinary activities	6	(1,549)	(411)
(Loss)/profit for the financial year		(196,491)	2,103
Other comprehensive income		-	-
Total comprehensive income for the year		(196,491)	2,103

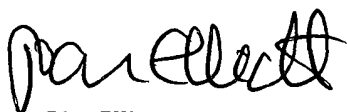
The notes on pages 9 to 17 form part of these financial statements.

Bupa Care Homes (CFG) plc
Financial statements

Balance sheet
as at 31 December 2016

	Note	2016 £'000	2015 £'000
Fixed assets			
Investments	7	806,188	386,260
Current assets			
Debtors			
- due within one year	8	-	1,352
- due after one year	8	20	22
		20	1,374
Cash at bank and in hand		-	-
		20	1,374
Creditors: amounts falling due within one year	9	(265,015)	(498)
Net current assets		(264,995)	876
Total assets less current liabilities		541,193	387,136
Creditors: amounts falling due after more than one year	10	(492,052)	(141,504)
		49,141	245,632
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		(107,663)	88,828
		49,141	245,632

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



J M Elliott
Director

20 June 2017

Registered number: 1969735

The notes on pages 9 to 17 form part of these financial statements.

Bupa Care Homes (CFG) plc
Financial statements
Year ended 31 December 2016
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 2016		40,553	114,141	2,110	88,828	245,632
Loss for the year		-	-	-	(196,491)	(196,491)
Balance as at 31 December 2016		40,553	114,141	2,110	(107,663)	49,141
Balance at 1 January 2015 restated		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

The notes on pages 9 to 17 form part of these financial statements.

Notes to the 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 FRS 101. The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied. In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of IFRSs as adopted by the EU, 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. The financial statements have been prepared under the historical cost convention.

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
- The requirements in IAS 24 regarding transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

Notes to the financial statements (continued)
Accounting policies (continued)

1.3 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.

1.4 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.

1.5 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.

1.6 Investment

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

1.7 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.

1.8 Share capital

Ordinary shares are classified as equity.

Notes to the financial statements (continued)
Accounting policies (continued)

1.9 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.

1.10 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 have 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.

Notes to the financial statements (continued)

1. Immediate and ultimate parent company

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

The ultimate parent undertaking of the Company, and the largest group into which these financial statements are consolidated, is 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 acts as a holding company and had no other employee costs during the current or preceding year.

3. Other interest receivable and similar income

	2016	2015
	£'000	£'000
Bupa Group undertakings	7,921	5,026
Dividends	329	-
	8,250	5,026

4. Interest payable and similar charges

	2016	2015
	£'000	£'000
Bupa Group undertakings	180	2,428

5. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2016	2015
	£'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.

Notes to the financial statements (continued)

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

(i) Tax included in profit or loss

	2016 £'000	2015 £'000
UK corporation tax on (loss)/profit for the year	1,548	526
Adjustments in respect of prior periods	-	(117)
Total current tax	1,548	409
Deferred tax		
Adjustments in respect of prior periods	-	2
Changes in tax rates	1	-
Total deferred tax	1	2
Total tax on (loss)/profit on ordinary activities	1,549	411

(ii) Reconciliation of effective tax rate

	2016 £'000	2015 £'000
(Loss)/profit on ordinary activities before taxation	(194,942)	2,514
Tax on (loss)/profit on ordinary activities at standard UK corporation tax rate of 20% (2015: 20.25%)	(38,988)	509
Effects of:		
Non-deductible expenses	40,536	17
Current income taxation adjustments in respect of prior periods	-	(117)
Changes in taxation rate	1	2
Tax on (loss)/profit on ordinary activities	1,549	411

7. Investments

	Shares in subsidiary undertakings £'000	Loan to group undertakings £'000	Total £'000
2016			
Cost			
At 1 January 2016	159,201	277,060	436,261
Additions	376,881	259,259	636,140
Disposals	(4,200)		(4,200)
At 31 December 2016	531,882	536,319	1,068,201
Provisions for impairment			
At 1 January 2016	50,001	-	50,001
Additions	212,012	-	212,012
At 31 December 2016	262,013	-	262,013
Net Book Value			
At 31 December 2016	269,869	536,319	806,188
At 31 December 2015	109,200	277,060	386,260

Notes to the financial statements (continued)

7. Investments (continued)

	Shares in subsidiary undertaking	Loan to group undertakings	Total
Cost			
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	50,001	-	50,001
At 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

A full list of related undertakings of the Company as at 31 December 2016, all of which have their registered office at Bridge House, Outwood Lane, Horsforth, Leeds LS18 4UP unless otherwise stated, are disclosed below:

Name	Share Class	Indirect Ownership %	Direct Ownership %	Ultimate Ownership %
Bupa Care Homes (AKW) Limited	Ordinary	100	-	100
Bupa Care Homes (ANS) Limited	Ordinary Special	99.99 -	- 0.000001	100
Bupa Care Homes (Bedfordshire) Limited	Ordinary	100	-	100
Bupa Care Homes (BNH) Limited	Ordinary	100	-	100
Bupa Care Homes (BNHP) Limited	Ordinary	100	-	100
Bupa Care Homes (Carrick) Limited*	Ordinary	100	-	100
Bupa Care Homes (CFCHomes) Limited	Ordinary	100	-	100
Bupa Care Homes (CFHCare) Limited	Ordinary, Redeemable, Preference	100 100	- -	100
Bupa Care Homes (Developments) Limited	Ordinary	100	-	100
Bupa Care Homes (GL) Limited	Ordinary	100	-	100
Bupa Care Homes (HH Bradford) Limited	Ordinary	100	-	100
Bupa Care Homes (HH Hull) Limited	Ordinary	100	-	100
Bupa Care Homes (HH Leeds) Limited	Ordinary	100	-	100
Bupa Care Homes (HH Northumberland) Limited	Ordinary	100	-	100
Bupa Care Homes (HH) Limited	Ordinary	100	-	100
Bupa Care Homes (Partnerships) Limited	Ordinary	100	-	100
Bupa Care Homes (PT Lindsay Prop) Limited**	Ordinary	100	-	100
Bupa Care Homes (PT Lindsay) Limited**	Ordinary	100	-	100
Bupa Care Homes (PT Links Prop) Limited**	Ordinary	100	-	100
Bupa Care Homes (PT Links) Limited**	Ordinary	100	-	100
Bupa Care Homes (PT) Limited**	Ordinary	100	-	100
Bupa Care Homes (Scunthorpe) Limited	Ordinary	100	-	100
Bupa Care Homes Group Limited	Ordinary	-	100	100
Fulford Grange Medical Centre	Ordinary	50	-	50
Watertight Investments Limited	Ordinary	100	-	100

* Registered office: 39 Victoria Road, Glasgow, G78 1NQ

** Registered office: Bupa House, 15-19 Bloomsbury Way, London WC1A 2BA

Notes to the financial statements (continued)

7. Investments (continued)

Loans to group undertakings

The Company shared in loans to subsidiary undertakings measured at cost and loans to group undertakings measured at FV and subsequently amortised cost. Loans to Bupa Group undertakings are repayable after five years as follows:

Group undertakings	Date issued	Repayment date	Interest rate	2016 £'000	2015 £'000
Bupa Care Homes (GL) Limited	December 2013	December 2023	Six month LIBOR plus 110 basis points	66,094	4,388
Bupa Care Homes Group Limited	December 2013	December 2023	Six month LIBOR plus 110 basis points	-	97,439
Bupa Care Homes (CFCHomes) Limited	December 2013	December 2023	Six month LIBOR plus 110 basis points	128,028	53,885
Bupa Care Homes (CFHCare) Limited	December 2013	December 2023	Six month LIBOR plus 110 basis points	197,189	121,348
Bupa Care Homes (BNH) Limited			Six month LIBOR plus 110 basis points	145,008	-
				536,319	277,060

8. Debtors

	2016 £'000	2015 £'000
Amounts due within one year		
Amounts owed by Bupa Group undertakings	-	1,352
	2016 £'000	2015 £'000
Amounts due after one year		
Deferred tax	20	22

9. Creditors – amounts falling due within one year

	2016 £'000	2015 £'000
Amounts owed to Bupa Group undertakings	265,008	491
Accruals and deferred income	7	7
	265,015	498

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

Notes to the financial statements (continued)

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

				2016 £'000	2015 £'000
Loans owed to Bupa Group undertakings				492,052	141,504
Loans to Bupa Group undertakings are repayable after five years as follows:					
Group undertakings	Date issued	Repayment date	Interest rate	2016 £'000	2015 £'000
Bupa Finance plc	December 2013	December 2023	110 basis points over six-month LIBOR	408,811	123,403
Bupa Care Homes (Bedfordshire) Limited	December 2013	December 2023	110 basis points over six-month LIBOR	9,845	5,898
Bupa Care Homes (Partnerships) Limited	December 2013	December 2023	110 basis points over six-month LIBOR	2,858	2,109
Bupa Care Homes (BNH) Limited	December 2013	December 2023	110 basis points over six-month LIBOR	-	10,094
Bupa Care Homes (AKW) Limited			110 basis points over six-month LIBOR	3,028	-
Bupa Care Homes (Carrick) Limited			110 basis points over six-month LIBOR	19,324	-
Bupa Care Homes (ANS) Limited			110 basis points over six-month LIBOR	48,186	-
				492,052	141,504

11. Deferred tax

Deferred taxation is analysed as follows

	2016 Assets £'000	2016 Liabilities £'000	2016 Total £'000	2015 Assets £'000	2015 Liabilities £'000	2015 Total £'000
Capital losses	20	-	20	22	-	22

The movement in deferred taxation is as follows

	At 1 January 2016 £'000	Recognised in profit and loss account £'000	Recognised in other comprehensive income £'000	At 31 December 2016 £'000
Capital losses	22	(2)	-	20

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

Notes to the financial statements (continued)

12. Called up share capital

	2016 £'000	2015 £'000
Allotted, called up and fully paid		
162,213,958 (2015:162,213,958) ordinary shares of 25 pence each	40,553	40,553

13. Contingent liabilities, guarantees and other financial commitments

(i) Contingent liabilities

At 31 December 2016, the Company was party to a £800 million revolving credit facility. The Company has joint and several liabilities for all obligations under the agreement.

(ii) Guarantees

The Company has given a guarantee in respect of a £350 million 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

	2016 £'000	2015 £'000
Interest payable to Bupa Group undertakings	(180)	(2,428)
Interest receivable from Bupa Group undertakings	8,250	5,026
Amounts owed by Bupa Group undertakings	-	1,352
Amounts owed to Bupa Group undertakings	(265,008)	(491)
Loan due by Bupa Group undertakings	536,319	277,060
Loan due to Bupa Group undertakings	(492,052)	(141,504)

See note 2 for disclosure of the directors' remuneration.