

# **BUPA EUROPE LIMITED**

Directors' report and financial statements  
for the year ended

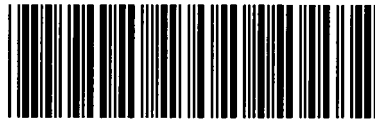
31 December 2016

**Registered office:**

**Bupa House  
15 – 19 Bloomsbury Way  
London  
WC1A 2BA**

**Registered number: 2657383**

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## Strategic Report

The Directors consider the development of Bupa Europe Limited ("the Company") during the year to be satisfactory and do not foresee any significant changes in the forthcoming year.

### Results

The profit for the year, before taxation, amounted to £0.1m (2015: £0.1m). The Company has net assets of £6.1m (2015: £6.0m).

### Principal risks and uncertainties

The Company's management and its strategy are subject to a number of uncertainties and risks. These risks and uncertainties include interest rate and foreign exchange rate fluctuations driven by the external market influences and the uncertainty of timing of cash generation and funding requirement within other Bupa Group companies. Management believes that these risks and uncertainties are managed effectively where possible and are reviewed on a regular basis in line with Bupa Group policies.

Details of the Bupa Group's business risks and risk management processes are set out in the ultimate parent company's annual report. The Bupa Group consists of The British United Provident Association Limited ("Bupa") and its subsidiaries and holding companies or subsidiaries of such holding companies. No formal KPIs are used or monitored, however the Directors recognise the role of the Company and thus monitor performance with respect to the solvency of the Company, the underlying performance of the investments and therefore the valuation of the investments in the balance sheet.

Registered office:

By Order of the Board

Bupa House  
15 – 19 Bloomsbury Way  
London  
WC1A 2BA



3 April 2017

**M Potkins**  
Director

## **Directors' report**

### **for the year ended 31 December 2016**

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

#### **Principal activities**

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

#### **Dividends**

The Directors do not recommend the payment of a dividend in respect of the year ended 31 December 2016 (2015: £nil).

#### **Going concern**

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

#### **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.

#### **Directors**

Details of the present Directors and any other persons who served as a Director during the year are set out below:

G M Evans  
F Harris (resigned 30/06/2016)  
M Potkins  
S M Fielding (appointed 14/12/2016)  
K Jennings (appointed 30/06/2016; resigned 05/12/2016)

#### **Companies (Audit, Investigations and Community Enterprise) Act 2004**

As at the date of this report, indemnities are in force under which the Company has agreed to indemnify the Directors, to the extent permitted by law and the Company's Articles of Association, in respect of all losses arising out of, or in connection with, the execution of their powers, duties and responsibilities, as Directors of the Company.

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

The Company made no political donations during the year (2015: £nil).

## **Directors' report (continued)**

### **for the year ended 31 December 2016**

#### **Financial reporting requirements**

The Company is a wholly owned subsidiary undertaking of Bupa, a group whose accounts are publicly available and prepared under IFRS. The Company qualifies for application of Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"), which has been adopted for these financial statements. FRS 101 uses the recognition and measurement bases of IFRS, while allowing exemptions from a number of disclosures required by full IFRS.

#### **Disclosure of information to auditor**

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

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

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

#### **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:

**By Order of the Board**

Bupa House  
15 – 19 Bloomsbury Way  
London  
WC1A 2BA



3 April 2017

**M Potkins**  
**Director**

## **Directors' responsibilities statement**

### **for the year ended 31 December 2016**

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 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;
- 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.

## **Independent auditor's report to the members of Bupa Europe Limited**

We have audited the financial statements of Bupa Europe Limited for the year ended 31 December 2016 set out on pages 7 to 14. 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](http://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 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 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:

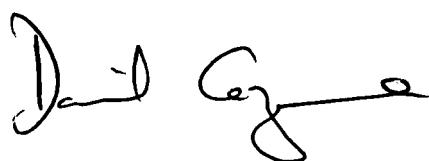
- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

## **Independent auditor's report to the members of Bupa Europe Limited (continued)**

### **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.



**Daniel Cazeaux (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
Chartered Accountants  
15 Canada Square  
London  
E14 5GL

3 April 2017



## Profit and loss account for the year ended 31 December 2016

	Note	2016 £	2015 £
Income from investment activities	3	92,524	120,994
Interest payable and similar expenses	4	-	(174)
<b>Profit before taxation</b>		<b>92,524</b>	<b>120,820</b>
Tax on profit	6	(18,505)	-
<b>Profit for the year</b>		<b>74,019</b>	<b>120,820</b>

The operating profit is all derived from continuing operations.

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

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

## Balance sheet

as at 31 December 2016

	Note	2016 £	2015 £
<b>Current assets</b>			
Debtors	7	6,105,620	6,013,096
Cash at bank and in hand		8,407	8,407
		<b>6,114,027</b>	<b>6,021,503</b>
<b>Creditors: amounts falling due within one year</b>	8	<b>(27,772)</b>	<b>(9,267)</b>
<b>Net current assets</b>		<b>6,086,255</b>	<b>6,012,236</b>
<b>Total assets less current liabilities</b>		<b>6,086,255</b>	<b>6,012,236</b>
<b>Net assets</b>		<b>6,086,255</b>	<b>6,012,236</b>
<b>Shareholder's funds</b>			
Called up share capital	9	10,534	10,534
Share premium account	10	2,500,000	2,500,000
Profit and loss account	10	3,575,721	3,501,702
<b>Shareholder's funds</b>		<b>6,086,255</b>	<b>6,012,236</b>

These financial statements were approved by the Board of Directors on 3 April 2017  
and were signed on its behalf by:



**G M Evans**  
**Director**

## Statement of changes in equity for the year ended 31 December 2016

	Called up Share capital	Share premium	Profit and loss account	Total equity
	£	£	£	£
Balance at 1 January 2016	10,534	2,500,000	3,501,702	6,012,236
<b>Total comprehensive income for the year</b>				
Profit or loss	-	-	74,019	74,019
<b>Total comprehensive income for the year</b>	-	-	74,019	74,019
<b>Balance at 31 December 2016</b>	<b>10,534</b>	<b>2,500,000</b>	<b>3,575,721</b>	<b>6,086,255</b>

	Called up Share capital	Share premium	Profit and loss account	Total equity
	£	£	£	£
Balance at 1 January 2015	10,534	2,500,000	3,380,882	5,891,416
<b>Total comprehensive income for the year</b>				
Profit or loss	-	-	120,820	120,820
<b>Total comprehensive income for the year</b>	-	-	120,820	120,820
<b>Balance at 31 December 2015</b>	<b>10,534</b>	<b>2,500,000</b>	<b>3,501,702</b>	<b>6,012,236</b>

The accounting policies and notes on pages 10 to 14 form part of these financial statements

## **Accounting policies**

### **for the year ended 31 December 2016**

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 on a going concern basis and under the historical cost convention, in accordance with applicable UK accounting standards.

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.

The financial statements have been prepared in accordance with 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 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 have been taken.

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

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for investments;
- Disclosures in respect of transactions with wholly owned subsidiaries within the consolidated group;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel.

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

#### **(b) Foreign currencies**

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

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

## **Accounting policies (continued)**

### **for the year ended 31 December 2016**

#### **(c) Investment income**

Dividends on equity investments are included, together with the related tax credit, in the profit and loss account on a cash basis which is not materially different from an ex-dividend basis; other investment income is recognised on an accruals basis.

#### **(d) Cash at bank and in hand**

Cash comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

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

The taxation expense on the profit for the year comprises current and deferred taxation. Income taxation is recognised in the income statement 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 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.

## Notes to the financial statements for the year ended 31 December 2016

### 1. Immediate and ultimate parent company

The immediate parent undertaking of the Company is Bupa Investments Limited, 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 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. The registered address of the parent company is 15-19 Bloomsbury Way, London, WC1A 2BA.

### 2. Staff costs and Directors' remuneration

The Company had no employees during the year and consequently incurred no staff costs during the current or preceding year.

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

### 3. Income from investment activities

	2016 £	2015 £
Interest receivable from Group undertakings	92,524	120,994
	<b>92,524</b>	<b>120,994</b>

### 4. Interest payable and similar expenses

	2016 £	2015 £
Other Interest payable	-	50
Foreign exchange losses	-	124
	<b>-</b>	<b>174</b>

## Notes to the financial statements (continued)

### for the year ended 31 December 2016

#### 5. Auditor's remuneration

	2016 £	2015 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	4,203	4,500

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 LLP, 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.

#### 6. Tax on profit

##### (i) Recognised in the profit and loss account

	2016 £	2015 £
<b>Current tax</b>		
UK corporation tax on profit	18,505	-
<b>Total tax on profit</b>	<b>18,505</b>	<b>-</b>

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

	2016 £	2015 £
<b>Profit before taxation</b>	<b>92,524</b>	<b>120,820</b>
Tax on profit on ordinary activities at the domestic UK corporation tax rate of 20% (2015: 20.25%)	18,505	24,462
Effects of:		
Group relief not paid	-	(24,462)
Taxation adjustments in respect of prior year periods	-	-
<b>Total tax for year</b>	<b>18,505</b>	<b>-</b>

## Notes to the financial statements (continued)

### for the year ended 31 December 2016

#### 7. Debtors - amounts falling due within one year

	2016	2015
	£	£
Amounts owed by Group undertakings	6,105,582	6,013,058
Other debtors including taxation and social security	38	38
	<b>6,105,620</b>	<b>6,013,096</b>

#### 8. Creditors

	2016	2015
	£	£
Other creditors including taxation and social security	27,772	9,267
	<b>27,772</b>	<b>9,267</b>

#### 9. Called up share capital

	2016	2015
	£	£
Allotted, called up and fully paid 10,534 ordinary shares of £1 each	10,534	10,534

#### 10. Reserves

	Share premium 2016	Profit and loss account 2016
	£	£
At beginning of year	2,500,000	3,501,702
Profit for the year	-	74,019
<b>At end of year</b>	<b>2,500,000</b>	<b>3,575,721</b>

#### 11. Subsequent events

There were no subsequent events.