

BUPA EUROPE LIMITED

**Directors' report and financial statements
for the year ended**

31 December 2018

Registered office:

**1 Angel Court
London
EC2R 7HJ**

Registered number: 2657383



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Strategic Report

The Directors present their Strategic Report for Bupa Europe Limited ("the Company") for the year ended 31 December 2018.

Business Review

The Directors consider the development of the Company during the year to be satisfactory and do not foresee any significant changes in the forthcoming year.

The profit for the year, before taxation, amounted to £0.1m (2017: £0.1m). The Company has net assets of £6.2m (2017: £6.2m).

Principal risks and uncertainties

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

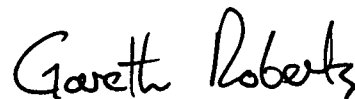
Details of the Bupa Group's business risks and risk management processes are set out in the Annual Report of the ultimate parent company, The British United Provident Association Limited ("Bupa"). The Bupa Group consists of Bupa and its direct and indirect subsidiary entities. No formal Key Performance Indicators 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:

1 Angel Court
London
EC2R 7HJ

13 March 2019

By Order of the Board



G H Roberts
Director

Directors' report for the year ended 31 December 2018

The Directors present their annual report and the financial statements of the Company for the year ended 31 December 2018.

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 2018 (2017: £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 and financial reporting requirements

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. As the Company is a wholly owned subsidiary undertaking of Bupa, 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.

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	
S M Fielding	
M Potkins	(Resigned 1 February 2019)
G H Roberts	(Appointed 1 February 2019)

Companies (Audit, Investigations and Community Enterprise) Act 2006

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.

Directors' report (continued)

for the year ended 31 December 2018

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:

1 Angel Court
London
EC2R 7HJ

13 March 2019

By Order of the Board



G H Roberts
Director

Statement of Directors' responsibilities in respect of the Strategic report, Directors' report and the financial statements

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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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

Opinion

We have audited the financial statements of Bupa Europe Limited ("the company") for the year ended 31 December 2018 which comprise the Profit and Loss Account, Statement of Other Comprehensive Income, Balance Sheet and Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

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

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; 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

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

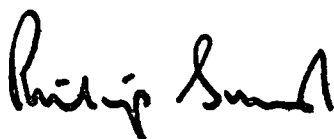
Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Philip Smart (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
15 Canada Square
Canary Wharf
London
E14 5GL
13 March 2019

Profit and loss account for the year ended 31 December 2018

	Note	2018 £	2017 £
Income from investment activities	4	72,306	78,578
Administrative expenses	5	(4,203)	(4,203)
Profit before taxation		68,103	74,375
Tax on profit	6	(12,940)	(13,775)
Profit for the year		55,163	60,600

Operating profit is derived from continuing operations.

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

Other Comprehensive income

	2018 £	2017 £
Profit for the year	55,163	60,600
Total comprehensive income for the year	55,163	60,600

Balance sheet as at 31 December 2018

	Note	2018 £	2017 £
Current assets			
Debtors	7	6,235,085	6,162,780
		6,235,085	6,162,780
Creditors: amounts falling due within one year	8	(33,067)	(15,925)
Net current assets		6,202,018	6,146,855
Total assets less current liabilities		6,202,018	6,146,855
Net assets		6,202,018	6,146,855
Shareholder's funds			
Called up share capital	9	10,534	10,534
Share premium account		2,500,000	2,500,000
Profit and loss account		3,691,484	3,636,321
Shareholder's funds		6,202,018	6,146,855

These financial statements were approved by the Board of Directors on 13 March 2019
and were signed on its behalf by:



G M Evans
Director

Statement of changes in equity for the year ended 31 December 2018

	Called up Share capital	Share premium	Profit and loss account	Total equity
	£	£	£	£
Balance at 1 January 2018	10,534	2,500,000	3,636,321	6,146,855
Total comprehensive income for the year				
Profit for the year	-	-	55,163	55,163
Total comprehensive income for the year			55,163	55,163
Balance at 31 December 2018	10,534	2,500,000	3,691,484	6,202,018

	Called up Share capital	Share premium	Profit and loss account	Total equity
	£	£	£	£
Balance at 1 January 2017	10,534	2,500,000	3,575,721	6,086,255
Total comprehensive income for the year				
Profit for the year	-	-	60,600	60,600
Total comprehensive income for the year			60,600	60,600
Balance at 31 December 2017	10,534	2,500,000	3,636,321	6,146,855

Notes to the financial statements for the year ended 31 December 2018

1. Accounting Policies

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

(a) Basis of preparation

The financial statements have been prepared 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.

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; and
- The effects of new but not yet effective IFRSs.

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.

Notes to the financial statements (continued)

for the year ended 31 December 2018

(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 (continued)

for the year ended 31 December 2018

2. Immediate and ultimate parent company

The immediate parent undertaking of the Company is Bupa Investments Limited with its registered office at 1 Angel Court, London, EC2R 7HJ.

The ultimate parent undertaking of the Company, and the largest group into which these financial statements are consolidated, is Bupa, with its registered office at 1 Angel Court, London EC2R 7HJ. The smallest group into which these financial statements are consolidated is that headed by Bupa Finance plc, with its registered office at 1 Angel Court, London EC2R 7HJ.

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

3. 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.

	2018	2017
	£	£
Emoluments	10,994	11,845
Company contributions to defined contribution pension scheme	200	290
Amounts receivable under long-term incentive schemes	1,074	2,262
	12,268	14,397

During the year there were two Directors who were members of a Bupa defined contribution scheme (2017: two) and none who were members of a Bupa defined benefit pension scheme (2017: one).

4. Income from investment activities

	2018	2017
	£	£
Interest receivable from Group undertakings	72,306	78,578
	72,306	78,578

Notes to the financial statements (continued)

for the year ended 31 December 2018

5. Auditor's remuneration

	2018	2017
	£	£
Audit fees	4,203	4,203

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

	2018	2017
	£	£
Current tax		
UK corporation tax on profit	12,940	13,775
Total tax on profit	12,940	13,775

(ii) Reconciliation of effective tax rate

The tax assessed for the year is based on the UK corporation tax rate of 19% (2017: 19.25%).

	2018	2017
	£	£
Profit before taxation	68,103	74,375
Tax on profit on ordinary activities at the domestic UK corporation tax rate of 19% (2017: 19.25%)	12,940	14,315
Adjustments in respect of current income tax of previous years	-	(540)
Total tax for year	12,940	13,775

Notes to the financial statements (continued)

for the year ended 31 December 2018

7. Debtors - amounts falling due within one year

	2018	2017
	£	£
Amounts owed by Group undertakings	6,235,085	6,162,780
	6,235,085	6,162,780

8. Creditors

	2018	2017
	£	£
Other creditors including taxation and social security	33,067	15,925
	33,067	15,925

9. Called up share capital

	2018	2017
	£	£
Allotted, called up and fully paid 10,534 ordinary shares of £1 each	10,534	10,534

10. Subsequent events

There were no subsequent events.