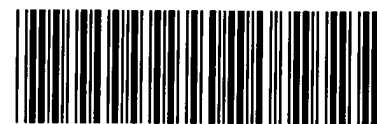


**BUPA TRUSTEES LIMITED**  
**REGISTERED NUMBER 2949771**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2019**

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## Directors' Report

The Directors present their annual report and the financial statements of Bupa Trustees Limited ("the Company") for the year ended 31 December 2019.

### Principal activities

The principal activity of the Company for the year was to act as a trustee for a number of companies owned by the Company's ultimate parent, The British United Provident Association Limited ("Bupa") and third party Health Trust contracts. Revenue generated by the Company represents the fee charged to Bupa Insurance Services Limited for the provision of such services.

### 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.

### Results and dividends

#### Results

The profit for the year, after taxation, amounted to £45,000 (2018: £43,000). The Company had net assets of £252,000 (2018: £207,000).

#### Dividends

The Directors do not recommend the payment of a dividend in respect of the year ended 31 December 2019 (2018: £nil).

### International Financial Reporting Standards and Financial Reporting Requirements

The ultimate parent undertaking, Bupa, has prepared group financial statements 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 financial statements 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.

### Political contributions

No political contributions were made, nor any political expenditure incurred.

### Principal Risks and Uncertainties

On March 11, 2020, the World Health Organization declared Coronavirus COVID-19 a pandemic, due to its rapid spread throughout the world. Most governments are taking restrictive measures to contain the spread and the situation is significantly affecting the global economy, due to the interruption or slowdown of supply chains and the significant increase in economic uncertainty, evidenced by an increase in the volatility of asset prices, exchange rates and a decrease in long-term interest rates.

As the implications of COVID-19 are indicative of conditions that arose after the end of the reporting period end, it is a subsequent event that does not require any adjustments to the annual accounts for the financial year 2019. Whilst it is not possible, at this stage, to accurately estimate the financial impacts of this crisis, the Directors note, as at the date of approval of these financial statements, that there has been no significant disruption in the Company's business up to the date of approval of these financial statements. However, as at the date of approval of these financial statements, it is not currently considered that there are any significant doubts over the Company's ability to continue as a going concern for at least a year from the date of approval of these financial statements. We continue to monitor our business for potential impacts and to manage the associated risks.

## Directors' Report (continued)

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.

### Directors

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

M Harrison	
G H Roberts	Appointed 5 March 2019
M Potkins	Resigned 1 February 2019
C A Richardson	
R A C Gowrley	
L James	

### 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.

### 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.

The Bupa Audit Committee agreed to put the external audit of the Group out to tender to comply with EU Audit Regulation (Regulation 537/2014/EU) transitional arrangements, which require the Group to rotate its audit firm at the time of next appointment on or after 17 June 2020.

The Bupa Annual Report 2019 sets out the full audit tender process, outcome and timeline.

The Bupa Board agreed to appoint PwC as the Group's External Auditor from 1 January 2021 and the Company's Board will formally appoint PwC for the year ended 31 December 2021 following the Bupa AGM in May 2021.

Registered Office:

1 Angel Court  
London  
United Kingdom  
EC2R 7HJ

6 August 2020

By Order of the Board



M Harrison  
Director

## Statement of Directors' Responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 Trustees Limited**

## **Opinion**

We have audited the financial statements of Bupa Trustees Limited ("the Company") for the year ended 31 December 2019 which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1 to the 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 2019 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, 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.

## **Directors' report**

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

Our responsibility is to read 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 directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 3, 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.

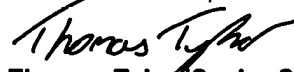
### **Auditor's responsibilities**

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](http://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.

  
**Thomas Tyler (Senior Statutory Auditor)**  
**For and on behalf of KPMG LLP, Statutory Auditor**  
Chartered Accountants  
1 St Peter's Square  
Manchester  
M2 3AE  
6 August 2020

## Profit and Loss Account and Other Comprehensive Income for the year ended 31 December 2019

	Note	2019 £'000	2018 £'000
Turnover	4	55	55
Cost of sales	5	(3)	(3)
<b>Gross profit</b>		<b>52</b>	<b>52</b>
Other interest receivable and similar income	6	3	1
<b>Profit before taxation</b>		<b>55</b>	<b>53</b>
Tax on profit on ordinary activities	8	(10)	(10)
<b>Profit for the financial year</b>		<b>45</b>	<b>43</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>45</b>	<b>43</b>

All activities relate to continuing operations.

The notes on pages 9 to 13 form part of these financial statements.



**Balance Sheet**  
as at 31 December 2019

	Note	2019 £'000	2018 £'000
<b>Current assets</b>			
Debtors	9	256	211
<b>Creditors: amounts falling due within one year</b>	10	(4)	(4)
<b>Net assets</b>		<b>252</b>	<b>207</b>
<b>Capital and reserves</b>			
Called up share capital	11	50	50
Profit and loss account		202	157
<b>Shareholders' funds</b>		<b>252</b>	<b>207</b>

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



**M Harrison**  
**Director**

6 August 2020

Registered number: 2949771

The notes on pages 9 to 13 form part of these financial statements.

## Statement of Changes in Equity

For the year ended 31 December 2019

	Called up share capital £'000	Profit and loss account £'000	Total £'000
<b>Balance at 1 January 2019</b>	50	157	207
Profit for the year	-	45	45
<b>Balance as at 31 December 2019</b>	50	202	252
<b>Balance at 1 January 2018</b>	50	113	163
Profit for the year	-	43	43
<b>Balance as at 31 December 2018</b>	50	157	207

The notes on pages 9 to 13 form part of these financial statements.

## Notes to the Financial Statements

### 1. 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

The financial statements have been prepared on a going concern basis and under the historical cost convention, as modified by the revaluation of land and buildings, in accordance with applicable UK accounting standards. In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of 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.

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

#### 1.2 Exemptions from the requirements of IFRS

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;
- 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.

As the consolidated financial statements of Bupa include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- The disclosures required by IFRS 7 and IFRS 13 regarding financial instrument disclosures have not been provided apart from those which are relevant for the financial instruments which are held at fair value and are not either held as part of trading portfolio or derivatives.

#### 1.3 New standards, amendments and IFRIC interpretations

The new leases standard, IFRS 16 effective from 1 January 2019 has been adopted by the Company but resulted in no impact as the Company did not identify any contracts which met the definition of a lease.

The following financial reporting standards, amendments and interpretations have been issued but are not effective for the year ended 31 December 2019 and have not been early adopted by the Company. They are not expected to have a significant impact when they are effective.

- IFRS 17 – Insurance Contracts
- IFRS 3 – Business Combinations amendment
- IAS 1 and IAS 8 amendments

#### **1.4 Going concern**

The current economic conditions continue to create uncertainty particularly over the level of demand for the Company's services. The Company will continue to exist as services are required for Bupa Insurance Services Limited. Although considerations re: COVID-19 have been made, there is no specific impact on services provided by Bupa Trustees Ltd as the requirement continues. 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 working capital assets 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.

### **Notes to the Financial Statements (continued)**

#### **1.5 Turnover**

Turnover is measured at the fair value of the consideration received or receivable, and represents amounts receivable for services supplied, stated net of discounts, returns and value added taxes. The Company recognises turnover when the amount of turnover can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Company's activities, as described below. Turnover represents the total amount earned by the Company in the ordinary course of business for services rendered to Bupa Insurance Services Limited, the fee value having been agreed at the point of the Company's incorporation.

#### **1.6 Taxation and deferred taxation**

The taxation expense on the profit for the year comprises of current 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 other 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.

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.

Trading losses surrendered to other Bupa Group subsidiary undertakings are made on a full payment basis.

#### **1.7 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.

#### **1.8 Share capital**

Ordinary shares are classified as equity.

## Notes to the Financial Statements (continued)

### 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 The British United Provident Association Limited, 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 emoluments of the Directors are borne entirely by other Group companies. The value of the qualifying services provided by the Directors to the Company during the year was £nil (2018:£nil).

### 4. Turnover

	2019 £'000	2018 £'000
Services rendered to Bupa Insurance Services Limited	55	55

### 5. Cost of sales

	2019 £'000	2018 £'000
Other cost of sales	3	3

### 6. Other interest receivable and similar income

	2019 £'000	2018 £'000
Bupa Group undertakings	3	1

### 7. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:	2019 £'000	2018 £'000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	3	3

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)

### 8. Tax on profit on ordinary activities

#### (i) Tax included in profit or loss

	2019 £'000	2018 £'000
UK corporation tax on profit for the year	10	10
<b>Total current tax</b>	<b>10</b>	<b>10</b>
<b>Total tax on profit on ordinary activities</b>	<b>10</b>	<b>10</b>

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

	2019 £'000	2018 £'000
Profit on ordinary activities before taxation	55	53
Tax on profit on ordinary activities at standard UK corporation tax rate of 19% (2018: 19%)	10	10
<b>Tax on profit on ordinary activities</b>	<b>10</b>	<b>10</b>

### 9. Debtors

	2019 £'000	2018 £'000
Amounts owed by Bupa Group undertakings	256	211

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

### 10. Creditors – amounts falling due within one year

	2019 £'000	2018 £'000
Amounts owed to Bupa Group undertakings	2	1
Accruals and deferred income	2	3
	<b>4</b>	<b>4</b>

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

### 11. Called-up share capital

	2019 £'000	2018 £'000
Allotted, called up and fully paid		
Equity interests		
50,000 (2018: 50,000) ordinary shares of £1 each	50	50

## Notes to the Financial Statements (continued)

### 12. Contingent liabilities, guarantees and other financial commitments

#### i. Contingent liabilities

Under a group registration the Company is jointly and severally liable for Value Added Tax due by certain other Bupa Group companies.

#### ii. Guarantees

The Company has given a guarantee and other undertakings, as part of the Group banking arrangements, in respect of the overdraft of certain other Bupa Group undertakings.

#### iii. Financial commitments

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

### 13. Related party transactions

The Company has applied the disclosure exemptions available under FRS 101 in respect of transactions with wholly owned subsidiaries within the consolidated group.

See note 3 for disclosure of the Directors' remuneration.

### 14. Post Balance Sheet Events

On March 11, 2020, the World Health Organization declared Coronavirus COVID-19 a pandemic, due to its rapid spread throughout the world. Most governments are taking restrictive measures to contain the spread and the situation is significantly affecting the global economy, due to the interruption or slowdown of supply chains and the significant increase in economic uncertainty, evidenced by an increase in the volatility of asset prices, exchange rates and a decrease in long-term interest rates.

As the implications of COVID-19 are indicative of conditions that arose after the end of the reporting period end, it is a subsequent event that does not require any adjustments to the annual accounts for the financial year 2019. Whilst it is not possible, at this stage, to accurately estimate the financial impacts of this crisis, the Directors note, as at the date of approval of these financial statements, that there has been no significant disruption in the Company's business up to the date of approval of these financial statements. However, as at the date of approval of these financial statements, it is not currently considered that there are any significant doubts over the Company's ability to continue as a going concern for at least a year from the date of approval of these financial statements. We continue to monitor our business for potential impacts and to manage the associated risks.