

**ANS 2000 Limited**  
**(Registered number 3858303)**  
**Directors' report and financial statements**  
**for the year ended**  
**31 December 2011**

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**ANS 2000 Limited**  
**Financial statements**  
**Year ended 31 December 2011**

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**ANS 2000 Limited**  
**Financial statements**  
**Year ended 31 December 2011**

**Directors' report**

The directors present their annual report and the financial statements of ANS 2000 Limited ("the Company") for the year ended 31 December 2011

**1. Principal activities**

The principal activity of the Company was the ownership of companies that are engaged in the operation of nursing homes for the elderly

**2. Business review**

The Company did not trade during the current or preceding year

**Results**

The profit for the year, after taxation, amounted to £4,455,000 (2010 £84,647,000) The Company had net assets of £6,000 (2010 £3,000)

**Reorganisation**

On 7 December 2011, the Company acquired the entire share capital of Bupa Care Homes (ANS) Limited for a consideration of £3,436,000 On the same day the Company sold the shares acquired in Bupa Care Homes (ANS) Limited to ANS 2003 Limited for a consideration of £32,081,000

**Dividends**

Interim dividends of £44,517.54 per 1p ordinary share amounting to £4,451,754 (2010 £8.65 per 1p ordinary shares amounting to £67,200,000 and £383,000 per 1p ordinary shares amounting to £38,300,000) were declared and paid during the year No final dividend was declared or paid (2010 £nil)

**Development**

Bupa Care Homes has continued to lead the field in aged care, working with government and organisations to help shape agenda and long term policies

Revenues were maintained despite public authority funding restrictions, with the average local authority fee increase from 1 April 2011 near flat Surplus was affected by lower occupancy and increases in staff costs due to, among other factors, increases in the national minimum wage and increased investment in training

The low level of funding increase reflects the current pressure on public sector budgets Research commissioned by Bupa Care Homes shows that care home fees paid by councils have fallen by 3.9% in real terms over the last two years, with fees no longer covering the costs of supporting sustainable care homes that meet CQC Essential Standards

Bupa Care Homes retains freehold ownership of the majority of its care homes, has a long history of offering long term care for older people and is investing in the sector for the future The business remains concerned that failure of local authorities to pay fairer fees will inevitably lead to a contraction of the overall care homes market and a potential bed-blocking crisis for the NHS The collapse of Southern Cross has drawn policy-makers' attention to the risks to care provision if funding levels are not improved

Bupa Care Homes is actively contributing to the UK government's working groups which have been set up to respond to the Report of the Commission on Funding of Care and Support in England, led by economist Andrew Dilnot Bupa Care Homes welcomes the debate that has been started by the Dilnot Report and believe that the recommendations are likely to help people with assets better prepare for care in old age As the majority of people in care homes today are funded by the state, there is the need for significant investment from the government to pay for the care of those with no means to pay for themselves

The business also submitted responses to consultations on the role of Monitor in regulating social care, and proposals for national assessment of care homes by the CQC

**Directors' report (continued)**

**2. Business review (continued)**

***Future outlook***

Bupa Care Homes continues to perform well despite increasing pressure on public sector budgets and funding for aged care coming under review by the government. Throughout the year, Bupa Care Homes demonstrated its commitment to investing in the training and development of its staff. The business continues to roll out its 'Person first dementia second' training for care home managers across the country. This investment in its workforce resulted in the business securing a number of awards, including 'Dementia Care Manager of the Year' at the National Care Awards and 'Nurse of the Year' at the Scottish Care Awards. The quality of Bupa Care Homes' care was also recognised by its highest ever resident satisfaction levels, with 75% rating the quality of care they receive as 'excellent' or 'very good'.

***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 challenges to occupancy and fee levels of publicly funded residents as a result of public sector spending constraints and pressure on private funded placements due to current economic conditions.

In addition it is anticipated that there will be increasing legislation and regulation and increases in staff costs driven by employment legislation.

Further information relating to the Company, as applicable to the Bupa Group as a whole, is provided within the discussion of business risks and uncertainties section of the Group's annual report and accounts, which does not form part of this report.

**3. Conversion to International Financial Reporting Standards**

The ultimate parent undertaking, The British United Provident Association Limited (Bupa), has prepared group accounts in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS). The Company is not required to report under IFRS and therefore these accounts are prepared in accordance with applicable UK accounting standards.

**4. Directors**

Details of the present directors and any other persons who served as a director during the year are set out below.

S P Reiter  
M Ellerby  
M A Merchant  
N T Beazley  
S M Los

**5. 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.

**6. Employees**

Details of the number of persons employed and gross remuneration are contained in note 2 to the financial statements.

**7. Political and charitable contributions**

The Company made no political or charitable donations or incurred any political expenditure during the year (2010: £nil).

**Directors' report (continued)**

**8 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


**9. Auditor**

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

**Registered Office**

Bridge House  
Outwood Lane  
Horsforth  
Leeds  
West Yorkshire  
LS18 4UP

12 March 2012



M Ellerby  
Director

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

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)

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 and 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 ANS 2000 Limited**

We have audited the financial statements of ANS 2000 Limited for the year ended 31 December 2011 set out on pages 6 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 statement of directors' responsibilities in respect of the directors' report and financial statements 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 (APB'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 APB's web-site at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **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 2011 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 matter prescribed by the Companies Act 2006**

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **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 director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



**Johnathan Pass**  
**Senior Statutory Auditor**  
**for and on behalf of**  
**KPMG Audit plc**  
**Statutory Auditor**  
*Chartered Accountants*  
1 The Embankment  
Neville Street  
Leeds  
West Yorkshire  
LS1 4DW

14 March 2012

**ANS 2000 Limited**  
**Financial statements**  
**Year ended 31 December 2011**

**Profit and loss account**

	Note	2011 £'000	2010 £'000
Income from shares in group undertakings	3	5,129	84,700
Amounts written off investments	8	(28,645)	-
Profit on disposal of fixed assets	8	28,645	-
Interest payable and similar charges	4	(674)	(73)
<b>Profit on ordinary activities before taxation</b>	5	4,455	84,627
Tax on profit on ordinary activities	6	-	20
<b>Profit for the year</b>		<b>4,455</b>	<b>84,647</b>

There were no recognised gains and losses other than the profit for the financial year

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

The accounting policies and notes on pages 8 to 13 form part of these financial statements



**ANS 2000 Limited**  
**Financial statements**

**Balance sheet**  
**as at 31 December 2011**

	Note	2011 £'000	2010 £'000
<b>Fixed assets</b>			
Investments	8	-	28,645
<b>Current assets</b>			
Debtors	9	6	-
<b>Total assets less current liabilities</b>		6	28,645
<b>Creditors' amounts falling due within one year</b>	10	-	(28,642)
<b>Net assets</b>		6	3
<b>Shareholders' funds</b>			
Called up share capital	11	-	-
Profit and loss account	12	6	3
<b>Shareholders' funds</b>	13	6	3

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



**S P Reiter**  
**Director**  
12 March 2012

Registered number    3858303

**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 under the historical cost convention and in accordance with applicable UK accounting standards.

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.

**(b) Going concern**

The Company meets its day to day working capital requirements through an intercompany financing arrangement. The forecast and projections of the Bupa Group indicate that it will continue to trade profitably. 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 annual report and financial statements.

**(c) Related party transactions**

As the Company is a wholly owned subsidiary of Bupa, the Company has taken advantage of the exemption contained in Financial Reporting Standard 8 Related Party Disclosures (FRS 8) and has therefore not disclosed transactions or balances with entities which form part of the Bupa Group.

**(d) Cash flow statement**

Under Financial Reporting Standard 1 Cash Flow Statements (revised 1996) (FRS 1) the Company is exempt from the requirement to prepare a cash flow statement on the grounds it is a wholly owned subsidiary undertaking of Bupa, a Company that prepares a consolidated cash flow statement for the Bupa Group.

**(e) Investments**

Investments in subsidiary undertakings are stated at cost with provision made for any permanent diminution in value.

**(f) Taxation and deferred taxation**

The charge for taxation is based on the result for the year and takes into account deferred taxation.

Deferred tax is provided in full on all timing differences that have originated, but not reversed, at the balance sheet date which result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exception:

- Deferred tax assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on current tax rates and laws.

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

**ANS 2000 Limited**  
**Financial statements**  
**Year ended 31 December 2011**

**Notes to the financial statements**

**1. Immediate and ultimate parent company**

The immediate parent undertaking of the Company is ANS 2003 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 The British United Provident Association Limited (Bupa), a company incorporated in England and Wales. The smallest group into which these financial statements are consolidated is that headed by Bupa Finance plc, a company incorporated in England and Wales

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

**2. Staff costs and directors' remuneration**

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

**3 Income from shares in group undertakings**

	<b>2011</b>	2010
	<b>£'000</b>	£'000
Ordinary dividend from ANS Limited	5,129	84,700

**4. Interest payable and similar charges**

	<b>2011</b>	2010
	<b>£'000</b>	£'000
Group undertakings	674	73

**5. Profit on ordinary activities before taxation**

Profit on ordinary activities before taxation is stated after charging

	<b>2011</b>	2010
	<b>£'000</b>	£'000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	2	1

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 Audit plc, 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.

**ANS 2000 Limited**  
**Financial statements**  
**Year ended 31 December 2011**

**Notes to the financial statements (continued)**

**6. Tax on profit on ordinary activities**

**(i) Analysis of tax credit in the year**

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
<b>Current tax</b>		
UK corporation tax on profit for the year	-	(20)
<b>Total tax on profit on ordinary activities</b>	<b>-</b>	<b>(20)</b>

**(ii) Factors affecting the tax charge / (credit)**

The differences between the total current tax charge / (credit) shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Profit on ordinary activities before taxation	4,455	84,627
Tax on profit on ordinary activities at standard UK corporation tax rate of 26.5 % (2010 28%)	1,181	23,696
Effects of		
Dividends receivable from Group Companies	(1,359)	(23,716)
Group relief not paid for	178	-
<b>Total current tax credit for year</b>	<b>-</b>	<b>(20)</b>

**7. Dividends**

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
<b>Equity - ordinary</b>		
Interim dividend of £nil (2010 £8.65) per 1p ordinary share	-	67,200
Interim dividend of £44,517.54 (2010 £383,000) per 1p ordinary shares	4,452	38,300
	<b>4,452</b>	<b>105,500</b>

No final dividend was declared or paid (2010 £nil)

**ANS 2000 Limited**  
**Financial statements**  
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**Notes to the financial statements (continued)**

**8. Investments**

	<b>2011</b>
	<b>£'000</b>
<b>Cost</b>	
At 1 January 2011	28,645
Additions	3,436
Disposals	(32,081)
<b>At 31 December 2011</b>	<b>-</b>
<b>Provision for impairment</b>	
At 1 January 2011	-
Charge for the year	28,645
Disposals	(28,645)
<b>At 31 December 2011</b>	<b>-</b>
<b>Net book value</b>	
At 31 December 2011	-
<b>At 31 December 2010</b>	<b>28,645</b>

On 7 December 2011, the Company acquired the entire share capital of Bupa Care Homes (ANS) Limited for a consideration of £3,436,000. On the same day the Company sold the shares acquired in Bupa Care Homes (ANS) Limited to ANS 2003 Limited for a consideration of £32,081,000. On 7 December 2011, the company sold its investment in ANS Limited to ANS 2003 Limited for a consideration of £1.

The following table sets out the consolidated book values of the identifiable assets and liabilities of Bupa Care Homes (ANS) Limited and their fair value to the Company

	Book value and fair value to Company
	£'000
Intangible assets	4,347
Tangible assets	193,721
Investments	118,516
Debtors	115
Cash at bank and in hand	107
Amounts owed to group undertakings	(236,082)
Corporation tax	(4,380)
Deferred tax	(3,996)
Unoccupied premises	(1,231)
<b>Net assets</b>	<b>71,117</b>
Negative goodwill	(67,681)
<b>Cash consideration</b>	<b>3,436</b>

**ANS 2000 Limited**  
**Financial statements**  
**Year ended 31 December 2011**

**Notes to the financial statements (continued)**

**8. Investments (continued)**

The summarised consolidated profit and loss account for the period from 1 January 2011 to 7 December 2011, shown on the basis of the accounting policies of Bupa Care Homes (ANS) Limited prior to the acquisition, are as follows

	£'000
Turnover	97,119
Operating expenses	(90,287)
<b>Operating profit</b>	<b>6,832</b>
Finance charges (net)	(2,700)
<b>Profit on ordinary activities before taxation</b>	<b>4,132</b>
Tax on profit of ordinary activities	(2,663)
<b>Profit for the financial period</b>	<b>1,469</b>

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

**Statement of total recognised gains and losses**

	£'000
Profit for the year	1,469
Unrealised deficit on impairment of properties	(1,763)
<b>Total gains and losses recognised since last annual report and financial statements</b>	<b>(294)</b>

**9. Debtors – amounts falling due within one year**

	2011 £'000	2010 £'000
Amount owed by Group undertakings	6	-

**10 Creditors – amounts falling due within one year**

	2011 £'000	2010 £'000
Amount owed to Group undertakings	-	28,642

**11. Called up share capital**

	2011 £'000	2010 £'000
Allotted, called-up and fully paid 100 ordinary shares of 1p each (2010 100)	-	-

**ANS 2000 Limited**  
**Financial statements**  
**Year ended 31 December 2011**

**Notes to the financial statements (continued)**

**12. Profit and loss account**

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
At 1 January 2011	3	7,368
Profit for the year	4,455	84,647
Dividends paid	(4,452)	(105,500)
Capital restructure	-	13,488
	<b>6</b>	<b>3</b>

**13. Reconciliation of movement in shareholders' funds**

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Profit for the year	4,455	84,647
Dividends paid	(4,452)	(105,500)
<b>Net addition to/ (reduction in) shareholders' funds</b>	<b>3</b>	<b>(20,853)</b>
Opening shareholders' funds	3	20,856
<b>Closing shareholders' funds</b>	<b>6</b>	<b>3</b>

**14. Contingent liabilities 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 Group Companies

**(ii) Financial commitments**

The Company had no capital commitments at the end of either year

**ANS 2000 Limited**  
**Financial statements**  
**Year ended 31 December 2011**

**Notes to the financial statements (continued)**

**12. Profit and loss account**

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
At 1 January 2011	3	7,368
Profit for the year	4,455	84,647
Dividends paid	(4,452)	(105,500)
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	<b>6</b>	<b>3</b>

**13. Reconciliation of movement in shareholders' funds**

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Profit for the year	4,455	84,647
Dividends paid	(4,452)	(105,500)
<b>Net addition to/ (reduction in) shareholders' funds</b>	<b>3</b>	<b>(20,853)</b>
Opening shareholders' funds	3	20,856
<b>Closing shareholders' funds</b>	<b>6</b>	<b>3</b>

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**(i) Contingent liabilities**

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