

OS AA01

Statement of details of parent law and other
information for an overseas company



Companies House

☒ **What this form is for**
You may use this form to
accompany your accounts
disclosed under parent law

☒ **What this form is NOT for**
You cannot use this form to
an alteration of manner of
with accounting requirements

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08/06/2012

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COMPANIES HOUSE

Part 1 Corporate company name

Corporate name of overseas company ① BUPA MALTA INVESTMENTS NO 1 LIMITED

UK establishment number B R 0 1 3 3 6 0

→ **Filling in this form**
Please complete in typescript or in
bold black capitals.

All fields are mandatory unless
specified or indicated by *

① This is the name of the company in
its home state

Part 2 Statement of details of parent law and other information for an overseas company

A1 Legislation

Please give the legislation under which the accounts have been prepared and,
if applicable, the legislation under which the accounts have been audited

Legislation ② Gibraltar Companies Act

② This means the relevant rules or
legislation which regulates the
preparation and, if applicable, the
audit of accounts

A2 Accounting principles

Accounts Have the accounts been prepared in accordance with a set of generally accepted
accounting principles?

Please tick the appropriate box

☐ **No** Go to **Section A3**

☒ **Yes** Please enter the name of the organisation or other
body which issued those principles below, and then go to **Section A3**

Name of organisation or body ③ International Accounting Standards Board

③ Please insert the name of the
appropriate accounting organisation
or body

A3 Accounts

Accounts Have the accounts been audited? Please tick the appropriate box

☐ **No** Go to **Section A5**

☒ **Yes** Go to **Section A4**

OS AA01

Statement of details of parent law and other information for an overseas company

A4**Audited accounts**

Audited accounts

Have the accounts been audited in accordance with a set of generally accepted auditing standards?

Please tick the appropriate box

☐ **No** Go to Part 3 'Signature'☒ **Yes** Please enter the name of the organisation or other body which issued those standards below, and then go to Part 3 'Signature'

❶ Please insert the name of the appropriate accounting organisation or body

Name of organisation or body ❶

International Auditing and Assurance Standards Board

A5**Unaudited accounts**

Unaudited accounts

Is the company required to have its accounts audited?

Please tick the appropriate box

☐ **No**☒ **Yes****Part 3****Signature**

I am signing this form on behalf of the overseas company

Signature

Signature

X

Authorised Signatory
of DJPA Secretaries Limited

X

This form may be signed by

Director, Secretary, Permanent representative

OS AA01

Statement of details of parent law and other information for an overseas company



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	L Jennings									
Company name	Bupa									
Address	Bupa House									
	15-19 Bloomsbury Way									
Post town	London									
County/Region										
Postcode	W	C	1	A		2	B	A		
Country	UK									
DX										
Telephone	0207 656 23032									



Checklist

We may return forms completed incorrectly or with information missing

Please make sure you have remembered the following

- ☐ The company name and, if appropriate, the registered number, match the information held on the public Register
- ☐ You have completed all sections of the form, if appropriate
- ☐ You have signed the form



Important information

Please note that all this information will appear on the public record



Where to send

You may return this form to any Companies House address

England and Wales:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

Scotland

The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

Northern Ireland.

The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG
DX 481 N R Belfast 1



Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk

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BUPA MALTA INVESTMENTS NO.1 LIMITED

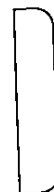
Directors' report and financial statements
for the year ended
31 December 2011



A24

08/06/2012
COMPANIES HOUSE

#8



Registered office (UK):

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

Registered number: FC027418

Registered office (Gibraltar):

**9/3A International Commercial Centre
Casemates Square
Gibraltar**

Registered number: 93315

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Directors' report

for the year ended 31 December 2011

The Directors present their annual report and the audited financial statements of Bupa Malta Investments No 1 Limited ("the Company") for the year ended 31 December 2011

The Company is a limited liability Company and was incorporated on 15 November 2004 in Gibraltar, with its registered address at 9/3A International Commercial Centre, Casemates Square, Gibraltar. On 17 December 2004, it was registered as an overseas company in Malta. The Company's management and control was transferred from Malta to the United Kingdom on 24 November 2006.

1 Principal activities

The principal activity of the Company in 2010 was that of an investment holding company. In 2011, transactions took place to reduce the capital of the Company. The Company is now dormant.

2. Business review

Results

The results for the year show a profit after tax of £13,394,112 (2010: £164,665,373). The Company had net assets of £2 (2010: £803,213,235).

The decrease in profit was mainly attributable to a decrease in dividend income of £964,430,937. This decrease was offset by an increase in finance income of £8,647,305 and a provision for impairment, raised in 2010, of £766,442,129 for which no such provision was raised in 2011. The decrease was further offset by a decrease in the release of a deferred tax asset to the statement of comprehensive income of £37,861,607.

As part of a Group-wide capital management project, the Company reduced its share capital by cancelling the majority of its ordinary shares and converting the reserves created into distributable reserves. Upon cancellation of the shares, the Company paid a dividend of £816,607,345.

Dividends

The Directors of the Company paid a dividend of £816,607,345 in respect of the year ended 31 December 2011 (2010: £164,981,787).

3. 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
N T Beazley
S M Los (resigned 9 June 2011)
M A Merchant
C A Richardson (appointed 9 June 2011)

The Company's Articles of Association do not require the Directors to retire.

G M Evans, N T Beazley, M A Merchant and C A Richardson have declared their interest in The British United Provident Association Limited, the ultimate parent company of Bupa Malta Investments No 1 Limited, by virtue of their employment in that company.

Directors' report (continued)

for the year ended 31 December 2011

4. Statement of Directors' responsibilities

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

Gibraltar 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Under Gibraltar 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 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 confirm that they have complied with the above requirements in preparing the financial statements and that International Financial Reporting Standards as adopted by the European Union have been applied in their preparation.

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 and other applicable legislation. 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.

5. Auditors

The auditors, PricewaterhouseCoopers Limited, have indicated their willingness to continue in office, and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

Bupa Malta Investments No 1 Limited
Financial statements
Year ended 31 December 2011
Registered number 93315

Directors' report (continued)
for the year ended 31 December 2011

By order of the Board



G M Evans
Director

Registered office (UK)

Bupa House
15 – 19 Bloomsbury Way
London
WC1A 2BA

19 March 2012



N T Beazley
Director

Registered office (Gibraltar)

9/3A International Commerce Centre
Casemates Square
Gibraltar



**Independent auditors' report to the members of
Bupa Malta Investments No. 1 Limited**

Report on the financial statements

We have audited the financial statements of Bupa Malta Investments No 1 Limited for the year ended 31 December 2011 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the cash flow statement and the related accounting policies and notes. These financial statements have been prepared under the accounting policies set out therein.

Directors' responsibilities for the financial statements

The Directors are responsible for the preparation and true and fair presentation of these financial statements in accordance with applicable law in Gibraltar and International Financial Reporting Standards as adopted for use in the European Union. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibilities

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the financial statements give a true and fair view in accordance with International Financial Reporting Standards as adopted for use in the European Union, of the state of the company as at 31 December 2011 and of its profit for the year then ended.

*PricewaterhouseCoopers Limited, International Commercial Centre, Casemates Square, Gibraltar
T +350 200 73520, F +350 200 48267, www.pwc.gi*



**Independent auditors' report to the members of
Bupa Malta Investments No. 1 Limited - continued**

Report on other legal and regulatory requirements

In addition to reporting on the financial statements, Gibraltar legal and regulatory requirements also require us to

- (a) Report to you in our opinion as to whether the financial statements have been properly prepared in accordance with the Companies Act, the Companies (Accounts) Act 1999 and the Companies (Consolidated Accounts) Act 1999
- (b) State in our report whether in our opinion the information given in the Directors' report is consistent with the financial statements
- (c) Report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed

Opinion

In our opinion the financial statements have been properly prepared in accordance with the Companies Act, the Companies (Accounts) Act 1999 and the Companies (Consolidated Accounts) Act 1999 and the information given in the Directors' report is consistent with the financial statements

We have nothing to report to you in respect of our responsibility set out in (c) above

Other matters

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Section 182 of the Companies Act and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

A handwritten signature in black ink, appearing to read 'Barry Pillans'.

Barry Pillans
Statutory Auditor
For and on behalf of
PricewaterhouseCoopers Limited

20 March 2012

Statement of financial position

As at 31 December 2011

	Note	2011 £	2010 £
Non-current assets			
Investment in jointly controlled entity	3	-	23
Investment in associate	4	-	3,125,000
Available-for-sale investments	5	-	50,000
Deferred tax asset	15	-	785,296
		-	3,960,319
Current assets			
Trade and other receivables	6	2	968,690,657
Cash and cash equivalents	7	-	1,600
Current income tax asset		-	317
		2	968,692,574
Total assets		2	972,652,893
Current liabilities			
Trade and other payables	10	-	169,439,658
		-	169,439,658
Net current assets		2	799,252,916
Net assets		2	803,213,235
Equity			
Share capital	8	2	7,000
Share premium	9	-	802,755,652
Retained earnings		-	450,583
Equity attributable to owners of the Company		2	803,213,235

These financial statements were approved by the Board of Directors on 19 March 2012 and were signed on its behalf by



G M Evans
 Director



N T Beazley
 Director

Registered number: FC027418

The accounting policies and notes on pages 10 to 23 form part of these financial statements

Statement of comprehensive income for the year ended 31 December 2011

	Note	2011 £	2010 £
Continuing operations			
Other income	11	5,262,920	969,693,857
Administrative expenses	12	(181)	(3,425)
Operating profit		5,262,739	969,690,432
Write off of amounts owed to Group undertakings	10	3,125,023	-
Write off of investments in Group undertakings	3, 4	(3,125,023)	-
Finance income	13	8,916,986	269,681
Provision for impairment of investment in jointly controlled entity	3	-	(766,442,129)
Finance cost		-	(206,025)
Profit on continuing activities before taxation		14,179,725	203,311,959
Taxation on profit on continuing activities	14	(785,613)	(38,646,586)
Profit for the year		13,394,112	164,665,373
Total comprehensive profit for the year		13,394,112	164,665,373
Attributable to			
Equity holders of the Company		13,394,112	164,665,373

The accounting policies and notes on pages 10 to 23 form part of these financial statements

Statement of changes in equity

for the year ended 31 December 2011

	Note	Share capital £	Share premium £	Retained earnings £	Total £
Balance at 1 January 2010		7,000	802,755,652	766,997	803,529,649
Profit for the year		-	-	164,665,373	164,665,373
Dividends payable		-	-	(164,981,787)	(164,981,787)
Balance at 31 December 2010	8, 9	7,000	802,755,652	450,583	803,213,235
Profit for the year		-	-	13,394,112	13,394,112
Dividends payable	17	-	-	(816,607,345)	(816,607,345)
Reduction in share capital	8	(6,998)	-	6,998	-
Reduction in share premium	9	-	(802,755,652)	802,755,652	-
Balance at 31 December 2011	8, 9	2	-	-	2

The accounting policies and notes on pages 10 to 23 form part of these financial statements

Cash flow statement for the year ended 31 December 2011

	Note	2011 £	2010 £
Cash flows from operating activities			
Cash used in operations	16	(181)	(3,425)
Dividends received		5,262,920	969,693,457
Net cash generated from operating activities		5,262,739	969,690,032
Cash flows from investing activities			
Net loans to Group undertakings		977,954,033	(930,135,954)
Proceeds from available-for-sale investments		10,000	-
Net cash generated from/(used in) investing activities		977,964,033	(930,135,954)
Cash flows from financing activities			
Dividends paid		(816,607,345)	(164,981,787)
Net loans from Group undertakings		(166,621,027)	125,357,813
Net cash used in financing activities		(983,228,372)	(39,623,974)
Net decrease in cash and cash equivalents		(1,600)	(69,896)
Cash and cash equivalents at beginning of the year		1,600	71,496
Cash and cash equivalents at the end of the year	7	-	1,600

The accounting policies and notes on pages 10 to 23 form part of these financial statements

Accounting policies for the year ended 31 December 2011

The principal accounting policies are summarised below. They have been applied consistently to all the years presented, unless otherwise stated.

(a) General information

The Company is a limited liability company incorporated and domiciled in Gibraltar. The address of its registered office is 9/3A International Commerce Centre, Casemates Square, Gibraltar.

(b) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS). The financial statements are prepared under the historical cost convention.

Gibraltar legislation applied in the preparation of these financial statements are the Companies Act, the Companies (Accounts) Act 1999 and the Companies (Consolidated Accounts) Act 1999.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

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.

Exemption from consolidation

The Company has taken advantage of the provision in the Companies (Consolidated Accounts) (Amendment) Act 2005, Section 8A, which exempts it from the requirement to prepare group accounts, as it is itself a subsidiary undertaking of The British United Provident Association Limited (Bupa), a company registered in the United Kingdom. The Company, its jointly controlled entity and its associate are all included in the consolidated accounts of the parent company.

New financial reporting standards applicable to the Company for the current and future periods

The Directors' assessment is that the adoption of the new standards applicable to the current and future period will have no material impact on the financial statements of the Company.

(c) Foreign currencies

Functional and presentational currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Pound Sterling, which is the Company's functional and presentational currency.

Accounting policies (continued)

for the year ended 31 December 2011

(c) Foreign currencies (continued)

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Translation differences on non-monetary financial assets such as equities classified as available for sale are included in the available-for-sale reserve in equity.

(d) Investment in jointly controlled entity

Investment in jointly controlled entity is accounted for by the cost method of accounting. Provisions are recorded where, in the opinion of the Directors, there is long term impairment in value. Where there has been a permanent impairment in the value of an investment, it is recognised as an expense in the period in which the impairment is identified.

The results of jointly controlled entities are reflected in these financial statements only to the extent of dividends receivable.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of comprehensive income.

(e) Investment in associated undertaking

Investment in associated undertaking is accounted for by the cost method of accounting. These are undertakings over which the Company has between 20% and 50% of the voting rights, or over which the Company exercises significant influence, but which it does not control. Provisions are recorded where, in the opinion of the Directors, there is long term impairment in value. Where there has been a permanent impairment in the value of an investment, it is recognised as an expense in the period in which the impairment is identified.

The results of associated undertakings are reflected in these financial statements only to the extent of dividends receivable.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of comprehensive income.

(f) Available-for-sale investments

Available-for-sale financial assets are included in non-current assets unless management intends to dispose of the investment within twelve months of the balance sheet date.

Regular purchases and sales of financial assets are recognised on the trade-date, which is the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value.

Accounting policies (continued)

for the year ended 31 December 2011

(f) Available-for-sale investments (continued)

Changes in fair value of monetary and non-monetary securities classified as available-for-sale are recognised in equity

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the statement of comprehensive income as gains and losses from investment securities

Dividends on available-for-sale equity instruments are recognised in the statement of comprehensive income as part of other income when the Company's right to receive payments is established

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss, which is measured as the difference between the acquisition cost and the current fair value less any impairment on the financial asset previously recognised in profit or loss, is removed from equity and recognised in the statement of comprehensive income. Impairment losses recognised in the statement of comprehensive income on equity instruments are not reversed through the statement of comprehensive income.

(g) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash-generating units).

(h) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivable. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows. The amount of the provision is recognised in the statement of comprehensive income.

(i) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowing in current liabilities on the balance sheet.

Accounting policies (continued)

for the year ended 31 December 2011

(j) Share capital

Ordinary shares are classified as equity

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds

(k) Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method

(l) Other financial instruments

The Company's financial liabilities, other than those referred to in the accounting policies, are classified as liabilities which are not held for trading ("other liabilities") under International Accounting Standard 39 (Financial Instruments Recognition and Measurement), and are measured at cost, that is, the face value of such instruments

(m) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously

(n) Taxation and deferred taxation

The Company is managed and controlled in the UK and is therefore subject to taxation in the UK on the profits of the Company

The Company is not tax resident in Gibraltar and accordingly is not subject to Gibraltar taxation

Income tax on the surplus or deficit for the year comprises current and deferred tax. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised directly in equity

Current tax is the expected tax payable on the taxable surplus for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustments to tax payable in respect of previous periods

Deferred tax is recognised in full using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not recognised, goodwill not deductible for tax purposes and the initial recognition of an asset or liability in a transaction that is not a business combination and which, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

The amount of deferred tax recognised is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date

A deferred tax 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

Accounting policies (continued)

for the year ended 31 December 2011

(o) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not of an outflow of resources will be required to settle obligations, and the amount has been reliably estimated

(p) Revenue recognition

Interest income

Interest income is recognised on a time-proportion basis using the effective interest rate method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income.

Dividend income

Dividend income is recognised when the right to receive payment is established.

(q) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

Notes to the financial statements for the year ended 31 December 2011

1. Financial risk management

The Company's activities expose it to a variety of financial risks: market risks (including currency risk and cash flow interest rate risk), credit risk and liquidity risk.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments which are denominated in a currency that is not the Company's functional currency. As at 31 December 2011, the currency exposure was £nil (2010: £nil) and the Company did not have any hedging policy with respect to foreign exchange as exposure to such risks was not considered to be significant by the Directors.

(ii) Interest rate risk

The Company's ability to meet its future obligations are not significantly impacted by changes in market interest rates. As at 31 December 2011, the Company did not have any hedging policy with respect to interest rate risks as exposure to such risks was not considered to be significant by the Directors (2010: £nil). Exposure to interest rate risk is detailed in notes 6 and 10.

(b) Credit risk

The Company does not have any concentration of credit risk. Financial assets, which potentially subject the Company to concentrations of credit risk, consist principally of cash at bank. The Company's cash is placed with quality financial institutions which are all rated at least AA (2010: AA) by key ratings agencies. Trade and other receivables consist of amounts due from Group undertakings, with no history of default. No amounts were past due or impaired.

(c) Liquidity risk

The Company does not have any significant concentrations of liquidity risk. Prudent liquidity risk management implies maintaining sufficient cash, and the availability of funding through an adequate amount of committed credit facilities. The Company aims to maintain flexibility in funding by keeping committed lines available.

(d) Fair value estimation

The methods determining the fair values of financial assets are set out in the above policies. The fair values less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values.

(e) Capital risk management

The Company's objectives, policies and processes for managing its capital are in accordance with those of the Group and as described above. The Company has no external capital requirements.

Notes to the financial statements (continued)

for the year ended 31 December 2011

2. Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRS requires the use of certain accounting estimates. It also requires management to exercise its judgement in applying the Company's accounting policies. The estimates and assumptions are based on historical experience and other related variables, updated to reflect current trading performance. The estimates and assumptions are reviewed on an ongoing basis and are considered prudent and appropriate but actual results may differ from these estimates.

In the opinion of the Directors, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of International Accounting Standards 1 Presentation of Financial Statements.

During 2010, an impairment charge of £766,442,129 was raised against the investment in jointly controlled entity to reflect the investment at its net asset value. The value was deemed to be appropriate due to the fact that the jointly controlled entity was in the process of being made dormant. There was no impairment charge in 2011 as the entity applied for strike off on 16 September 2011.

3. Investment in jointly controlled entity

	2011 £	2010 £
At beginning of the year	23	766,442,152
Provision for impairment	-	(766,442,129)
Write off of investment	(23)	
At end of the year	-	23

As part of the Group-wide capital management project, an application for strike off of Bupa Blackbird Investments LLP had been submitted to the Registrar of Companies on 16 September 2011. This resulted in the investment in the jointly controlled entity being written off in 2011.

The Company's share of the results of its jointly controlled entity, which is unlisted, and its share of the assets and liabilities are as follows:

Name	Country of incorporation	Current assets £	Non-current assets £	Current liabilities £	Income £	Expense £
31 December 2011						
Bupa Blackbird Investments LLP	United Kingdom	23	-	-	2,253,262	33
31 December 2010						
Bupa Blackbird Investments LLP	United Kingdom	33	971,529,746	(970,099,081)	14,777,749	-

Notes to the financial statements (continued) for the year ended 31 December 2011

3 Investment in jointly controlled entity (continued)

The jointly controlled entity at 31 December 2011 is shown below

Name	Registered office	Class of shares held	Percentage of shares held	
			2011 %	2010 %
Bupa Blackbird Investments LLP	15 – 19 Bloomsbury Way, London, WC1A 2BA	£1 ordinary shares	92	92

The aggregate of capital and reserves as at 31 December 2011 was £25 (2010 £1,559,447) net of dividends paid of £4,008,584 (2010 £1,057,420,524) and the profit for the year was £2,449,162 (2010 £16,107,602)

4. Investment in associate

	2011 £	2010 £
At beginning of the year	3,125,000	3,125,000
Write off of investment	(3,125,000)	-
At end of the year	-	3,125,000

As part of the Group-wide capital management project the Company, as one of the designated members, appointed KPMG on 16 September 2011 to liquidate Bupa Guernsey LLP (in liquidation) This resulted in the investment in the jointly controlled entity being written off in 2011

The Company's share of the results of its principal associate, which is unlisted, and its share of the assets and liabilities (including goodwill and liabilities) are as follows

Name	Country of incorporation	Current assets £	Non-current assets £	Current liabilities £	Income £	Expense £
31 December 2011						
Bupa Guernsey LLP (in liquidation)	United Kingdom	3,125,000	-	-	-	-
31 December 2010						
Bupa Guernsey LLP (in liquidation)	United Kingdom	-	4,715,704	-	1,546,616	-

The associate undertaking at 31 December 2011 is shown below

Name	Registered office	Class of shares held	Percentage of shares held	
			2011 %	2010 %
Bupa Guernsey LLP (in liquidation)	15 – 19 Bloomsbury Way, London, WC1A 2BA	£1 ordinary shares	50	50

The aggregate of capital and reserves as at 31 December 2011 was £6,250,000 (2010 £9,431,406) net of a dividend paid of £3,181,406 (2010 £2,000,000) and the profit for the year was £nil (2010 £1,093,232)

Notes to the financial statements (continued)

for the year ended 31 December 2011

5. Available-for-sale investments

Investment	Registered Office	No and class of shares	2011 £	2010 £
Bupa Australian Finance Limited (in liquidation)	15 – 19 Bloomsbury Way, London, WC1A 2BA	10,000 £1 non redeemable B preference shares	-	10,000
Bupa Care Homes (ANS) Limited	15 – 19 Bloomsbury Way, London, WC1A 2BA	10,000 £1 non redeemable B preference shares	-	10,000
Plainprime Limited	15 – 19 Bloomsbury Way, London, WC1A 2BA	10,000 £1 non redeemable B preference shares	-	10,000
Bupa Europe Finance Limited (in liquidation)	15 – 19 Bloomsbury Way, London, WC1A 2BA	10,000 £1 non redeemable B preference shares	-	10,000
Bupa IT Services Limited (in liquidation)	15 – 19 Bloomsbury Way, London, WC1A 2BA	10,000 £1 non redeemable B preference shares	-	10,000
			-	50,000

The investments were disposed of as part of a Group-wide capital management project. In 2010, the fair values of the available-for-sale investments were deemed to be equal to cost.

6 Trade and other receivables

	2011 £	2010 £
Current		
Amounts owed by Group undertakings	2	968,690,657

Amounts owed by Group undertakings (except intercompany loans and current accounts) are unsecured with interest being charged at LIBOR and are repayable on demand. Current accounts of £2 (2010: £968,690,657) are unsecured, interest free and repayable on demand. Intercompany loans are unsecured with interest being charged at LIBOR plus 100 basis points and are repayable on demand. On 23 February 2011, the Company acquired a loan with Bupa Finance Plc ("The Loan") for £766,041,652 from Bupa Blackbird Investments LLP in consideration of a payment for the same amount. On 9 November 2011, the Company assigned The Loan plus accrued interest to Bupa Treasury Investments Limited Partnership in consideration for a payment of £774,958,638.

7 Cash and cash equivalents

	2011 £	2010 £
Cash at bank and in hand	-	1,600

Notes to the financial statements (continued)

for the year ended 31 December 2011

8. Share capital

	2011 £	2010 £
Authorised		
8,000 ordinary shares of £1 each	8,000	8,000
Allotted, called-up and fully paid		
2 (2010 7,000) ordinary shares of £1 each	2	7,000

Following an application to the court, the Company's share capital was reduced on 15 June 2011 from £7,000 to £2 by cancelling 6,998 ordinary shares. The reserves created by the cancelled shares were converted into distributable reserves.

9 Share premium

	2011 £	2010 £
At beginning of year	802,755,652	802,755,652
Reduction in share premium	(802,755,652)	-
At the end of year	-	802,755,652

On 15 June 2011, the Company reduced its share premium from £802,755,652 to £nil as part of a Group-wide capital management project.

10. Trade and other payables

	2011 £	2010 £
Current		
Amounts owed to Group undertakings	-	169,439,658

Amounts owed to Group undertakings (except intercompany loans and current accounts) are unsecured with interest being charged at LIBOR and are repayable on demand. Intercompany loans of £nil (2010 £4,676,755) and current accounts of £nil (2010 £164,762,903) were unsecured, interest free and repayable on demand. During the year, current accounts of £3,125,023 were written off as part of a Group-wide capital management project. Amounts owed to Group undertakings at 31 December 2010 were settled in 2011.

11. Other income

	2011 £	2010 £
Dividend income	5,262,920	969,693,857

Notes to the financial statements (continued) for the year ended 31 December 2011

12. Administrative expenses by nature and staff costs

	2011 £	2010 £
Other expenses	181	3,425
Total administrative expenses	181	3,425

The audit fee in 2011 of £14,000 (2010 £16,583) will not be borne by the Company

No persons were employed by the Company during the year (2010 £nil)

The Company's Directors are employed by other Group companies. No recharges were made to the Company for their services during the year (2010 £nil)

13. Finance income

	2011 £	2010 £
Finance income from Group undertakings	8,916,986	269,681

14. Tax on profit on ordinary activities

(i) Analysis of tax charge in the year

	2011 £	2010 £
Current tax		
UK corporation tax on profit	317	-
Adjustments in respect of prior periods - UK corporation tax	-	(317)
Total current tax charge/(credit)	317	(317)
Deferred tax		
Origination and reversal of timing differences	785,296	38,646,903
Total deferred tax charge	785,296	38,646,903
Total tax on profit on ordinary activities	785,613	38,646,586

Notes to the financial statements (continued)

for the year ended 31 December 2011

14. Tax on profit on ordinary activities (continued)

(ii) Reconciliation of the tax charge

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

	2011 £	2010 £
Profit on ordinary activities before taxation	14,179,725	203,311,959
Tax on profit on ordinary activities at standard UK corporation tax rate of 26.5% (2010: 28%)	3,756,635	56,927,349
Effects of		
Changes in tax rate	(46,898)	(1,380,247)
Non taxable income	(1,390,007)	(231,487,446)
Expenses not deductible for tax purposes	1,422,331	218,704,504
Group relief not paid for	(2,956,448)	(4,118,509)
Transfer pricing adjustment	-	935
Total tax charge for year	785,613	38,646,586

The tax charge in future periods may be affected by a reduction in the standard UK corporation tax rate from 26% to 25%

15. Deferred tax asset

	2011 £	2010 £
At beginning of the year	785,296	39,432,199
Charged to the statement of comprehensive income	(785,296)	(38,646,903)
At end of the year	-	785,296

A deferred tax asset was recognised in prior years in respect of timing differences on taxable profits generated within the Company's investments. In 2011, £785,296 (2010: £38,646,903) was released to the statement of comprehensive income.

16. Cash used in operations

	2011 £	2010 £
Profit on ordinary activities before taxation	14,179,725	203,311,959
Adjustments for		
Dividend income	(5,262,920)	(969,693,857)
Interest income	(8,916,986)	(269,681)
Write off of investments owed to Group undertakings	(3,125,023)	-
Write off of investments in Group undertakings	3,125,023	-
Intercompany finance cost	-	206,025
Provision for impairment in jointly controlled entity	-	766,442,129
Cash used in operations	(181)	(3,425)

Notes to the financial statements (continued)

for the year ended 31 December 2011

17. Dividends per share

	2011 £	2010 £
Dividends paid during the year	816,607,345	164,981,787
Dividends per share	408,303,673	23,569

The Company reduced its share capital during the year as part of a Group-wide capital management project, by cancelling the majority of its ordinary shares and converting the reserves created into distributable reserves. Upon cancellation of the shares, the Company paid a dividend of £816,607,345.

18. Related party transactions

Bupa Malta Investments No 1 Limited forms part of The British United Provident Association Limited Group. All companies forming part of The British United Provident Association Limited Group are considered to be related parties since the companies are all ultimately controlled by the same shareholders.

During the year, related party transactions relate to

- The current account with Bupa Blackbird Investments LLP of £968,690,657 was settled.
- The current account owing to Bupa Investment Limited of £164,762,903 was settled and a current account owing by Bupa Investments Limited of £2 was subsequently raised.
- The loan owing to Bupa Guernsey LLP (in liquidation) of £4,676,755 was settled.
- A loan of £776,041,652 owing by Bupa Finance Plc was acquired from Bupa Blackbird Investments LLP. This loan plus accrued interest was subsequently assigned to Bupa Treasury Investments LLP in return for consideration of £774,958,638 equal to the outstanding value of the loan as at 9 November 2011.
- A dividend of £816,607,345 was paid to Bupa Investments Limited.
- A dividend of £3,672,217 was received from Bupa Blackbird Investments LLP and a dividend of £1,590,703 was received from Bupa Guernsey LLP (in liquidation).
- A current account of £3,125,000 owing to Bupa Guernsey LLP (in liquidation) and a current account of £23 owing to Bupa Blackbird Investments LLP were entered into of which the full amounts were written off during the year.
- As part of the Group-wide capital management project, the Company's available-for-sale investments were sold to the issuers of the preference shares with the exception of the investment in Bupa Australian Finance Limited whose preference shares were sold to Bupa Australia Investments Limited.

As at 31 December 2011 the Company had the following balances outstanding with other Group companies:

- £2 owing from Bupa Investments Limited in respect of an intercompany current account.

During 2010, related party transactions relate to

- The current account with Bupa Investments Limited of £7,742,974 was settled.
- The loan owing to Bupa Finance Plc of £43,875,820 was settled.

Notes to the financial statements (continued)

for the year ended 31 December 2011

18 Related party transactions (continued)

- The loan owing from Bupa Investments Limited of £46,027,596 was settled
- An interest free loan of £295,980 owing from Bupa Investments Limited was entered into of which the full amount was repaid during the year
- A dividend of £164,981,787 was paid to Bupa Investments Limited
- Dividends amounting to £968,690,657 were received from Bupa Blackbird Investments LLP, dividends amounting to £800 were received from Bupa Australian Finance, dividends amounting to £2,400 were received from Bupa Europe Finance and a dividend of £1,000,000 was received from Bupa Guernsey LLP (in liquidation)
- An interest free loan of £5,754,651 owing to Bupa Guernsey LLP (in liquidation) was entered into of which £1,077,896 was repaid during the year

As at 31 December 2010, the Company had the following balances outstanding with other Group companies

- £968,690,657 owing from Bupa Blackbird Investments LLP in respect of an intercompany current account
- £164,762,903 owing to Bupa Investments Limited in respect of an intercompany current account
- £4,676,755 owing to Bupa Guernsey LLP (in liquidation) in respect of an intercompany loan (interest free)

19. 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 group into which these financial statements are consolidated, is The British United Provident Association Limited, a company incorporated in England and Wales

A copy of the consolidated accounts of this company can be obtained from The Registrar of Companies, Cardiff, CF14 3UZ

20. Subsequent events

Bupa Blackbird Investments LLP was subsequently dissolved on 17 January 2012