

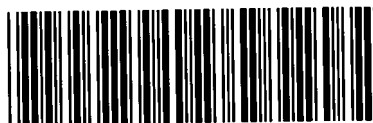
BUPA CARE HOMES (CFG) PLC

Registered Number: 01969735

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED**

31 DECEMBER 2017

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Strategic Report

The Directors present their Strategic Report for Bupa Care Homes (CFG) plc ("the Company") for the year ended 31 December 2017.

Business Review

The principal activity of the Company for the year was to act as a holding company for a number of direct subsidiaries that are engaged in owning and operating nursing and residential homes for the elderly. The Company, together with fellow UK subsidiary undertakings of The British United Provident Association ("Bupa"), with similar activities, form Bupa Care Services ("BCS").

Results and Key Performance Indicators

The loss for the year, after taxation, amounted to £348,000 (2016: loss £196,491,000). The Company had net assets of £48,793,000 (2016: £49,141,000). As a holding company, the most significant impact towards the result for the year has been the interest payable and receivable on group loans.

Business Model

The Company operates as part of the wider BCS business, which is a leading care homes operator in the UK. BCS provides care in 146 care homes to around 7,300 residents of which 65% are funded wholly or partly by the public sector.

BCS is focused on meeting the changing healthcare needs and concerns of its customers and society. By investing in its people and services, BCS will continue to address the health and care needs of the UK's growing ageing population whilst making the case for appropriate investment from national and local government in the health and social care system to meet the cost of delivering care.

The UK aged care sector remains under pressure with increased costs including the ongoing impact of the National Living Wage, first introduced in April 2016. BCS continues to take a disciplined approach to fee negotiations with LAs, CCGs and other commissioners in order to recover the true cost of caring for publicly-funded residents.

The combination of a national shortage of appropriately qualified nurses, and increased agency dependency across the sector, has seen the cost of nursing care increase. In response, in 2016, there was an increase in the NHS Funded Nursing Care ("FNC") payments contribution in England to the cost of providing registered nursing care.

Future Outlook

BCS is committed to working to ensure that public funds for adult social care are used to the best effect. It will continue its disciplined approach to fee negotiations and has seen success in its focus on recovering the cost of caring for residents from local authority contracts.

Since the 2015 Spending Review which announced new powers for councils to meet their funding obligations for social care, the Government have taken further, albeit limited, steps to increase funds for adult social care. The 2017 Budget announced new funding for councils to meet their funding obligations for social care, including an extension and increase to the annual Council Tax precept to 3% as well as increased allocations into the Better Care Fund and Adult Social Care Support Grant.

Following the 2017 general election, the outlook for longer term reform of the social care funding system in England remains unclear. The Government have committed to publishing proposals for long term reform of the social care funding system for consultation in summer 2018. During 2018, BCS, along with others in the sector, will continue to push for adequate funding in the sector, both in the short term and over the longer term, and for local authorities and other public sector commissioners to pay for the true cost of care.

BCS is committed to providing high quality facilities and services for the UK's growing ageing population and will continue to invest in its portfolio of care homes

Strategic Report (continued)

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 chronic underfunding of social care in the UK and policy changes such as the introduction of a National Living Wage, making it difficult to plan and mitigate for such policies effectively.

The UK Government triggered Article 50 on 29 March 2017 to start the formal process of leaving the EU. While there will be commercial, operational and legal impacts from the UK's eventual exit from the EU, there remains significant uncertainty as to how the UK's exit will affect the Company's business, customers and employees. While the UK Government has committed to ensuring EU citizens currently resident in the UK will be able to remain following the UK's exit from the EU, uncertainties remain relating to changes in immigration rules post-Brexit and the impact on the health and social care sector's ability to recruit sufficient staff. Uncertainty also remains regarding the wider impact on the UK economy.

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.

Registered Office:

1 Angel Court
London
EC2R 7HJ

By Order of the Board



C A Richardson
Director

31 May 2018

Directors' Report

The Directors present their annual report and the financial statements of the Company for the year ended 31 December 2017.

Going Concern

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

International Financial Reporting Standards and Financial Reporting Requirements

The ultimate parent undertaking, Bupa, has prepared group accounts in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"). The Company is not required to report under IFRS and therefore these accounts are prepared in accordance with applicable UK accounting standards. As the Company is a wholly owned subsidiary undertaking of Bupa, the Company qualifies for application of Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"), which has been adopted for these financial statements. FRS 101 uses the recognition and measurement bases of IFRS, while allowing exemptions from a number of disclosures required by full IFRS.

Directors

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

C E Barton	resigned	27/04/2018
N S Barker	appointed	27/04/2018
J M Elliott		
M Harrison	appointed	27/04/2018
C A Jaureguizar Ruiz-Jarabo		
J S Picken	resigned	27/04/2018
C A Richardson	appointed	27/04/2018

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.

Directors' Report (continued)

Auditor

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

Registered Office:

1 Angel Court
London
EC2R 7HJ

31 May 2018

By Order of the Board



C A Richardson
Director

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report, the Strategic 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;
- 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 Care Homes (CFG) plc

Opinion

We have audited the financial statements of Bupa Care Homes (CFG) plc ("the company") for the year ended 31 December 2017 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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss 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

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 twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and directors' report

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

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

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Independent auditor's report to the members of Bupa Care Homes (CFG) plc (continued)

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

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

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

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Chris Butt (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA
6 June 2018

**Profit and Loss Account and Other Comprehensive Income
for the year ended 31 December 2017**

	Note	2017 £'000	2016 £'000
Impairment provision and other expenses		-	(212,012)
Profit on disposal of subsidiary		-	9,000
Other interest receivable and similar income	5	4,413	8,250
Interest payable and similar charges	6	(4,819)	(180)
Loss before taxation		(406)	(194,942)
Tax on loss on ordinary activities	8	58	(1,549)
Loss for the financial year		(348)	(196,491)
Other comprehensive income		-	-
Total comprehensive expense for the year		(348)	(196,491)

The notes on pages 11 to 19 form part of these financial statements.

Balance Sheet
as at 31 December 2017

	Note	2017 £'000	2016 £'000
Fixed assets			
Investments	9	729,071	806,188
Current assets			
Debtors	10	77	20
- due within one year		77	-
- due after one year		-	20
Creditors: amounts falling due within one year	11	(190,007)	(265,015)
Net current liabilities		(189,930)	(264,995)
Total assets less current liabilities		539,141	541,193
Creditors: amounts falling due after more than one year	12	(490,348)	(492,052)
Net assets		48,793	49,141
Capital and reserves			
Called up share capital	14	40,553	40,553
Share premium		114,141	114,141
Capital redemption reserve		2,110	2,110
Profit and loss account		(108,011)	(107,663)
Shareholders' funds		48,793	49,141

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


J M Elliott
Director

Registered number: 01969735

31 May 2018

The notes on pages 11 to 19 form part of these financial statements.

Bupa Care Homes (CFG) plc
Financial statements
Year ended 31 December 2017

Statement of Changes in Equity for the year ended 31 December 2017

	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000
Balance at 1 January 2017	40,553	114,141	2,110	(107,663)	49,141
Loss for the year	-	-	-	(348)	(348)
Balance as at 31 December 2017	40,553	114,141	2,110	(108,011)	48,793

	Called up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000
Balance at 1 January 2016	40,553	114,141	2,110	88,828	245,632
Loss for the year	-	-	-	(196,491)	(196,491)
Balance as at 31 December 2016	40,553	114,141	2,110	(107,663)	49,141

The notes on pages 11 to 19 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.

(a) 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.

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.

These financial statements have been prepared in accordance with FRS 101. The amendments to FRS 101 (2016/17 Cycle) issued in July 2017 and effective immediately have been applied.

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 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.

(b) 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;
- Comparative period reconciliations for investments;
- Disclosures in respect of transactions with wholly owned subsidiaries within the consolidated group;
- Disclosures in respect of capital management;
- An additional balance sheet for the beginning of the earliest comparative period following the transition to FRS 101;
- 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.

Notes to the financial statements (continued)

Accounting Policies (continued)

(c) Going Concern

The financial statements have been prepared on a going concern basis, notwithstanding net current liabilities of £189,930,000. The Company meets its day to day working capital requirements through its cash reserves and borrowings. The Company's forecasts and projections, taking account of reasonably possible changes in performance, show that the Company should be able to operate within the level of its current cash reserves and borrowings. After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources, with net assets of £48,793,000, to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

(d) Exemption from Consolidation

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.

(e) 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.

(f) Taxation and Deferred Taxation

The taxation expense on the profit for the year comprises current and deferred 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 comprehensive income.

Current taxation is the expected taxation payable on the taxable profit for the year, using taxation rates enacted or substantively enacted at the balance sheet date, and any adjustments to taxation payable in respect of previous years.

Deferred taxation is recognised in full using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The 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.

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

Deferred taxation is recognised on temporary differences arising on investments in subsidiary companies, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred taxation asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

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

Notes to the financial statements (continued)

Accounting policies (continued)

(g) Investment

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value.

(h) 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. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

(i) Share Capital

Ordinary shares are classified as equity.

(j) Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(k) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit and loss account over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Notes to the financial statements (continued)

Accounting policies (continued)

(I) Provisions

Provisions are recognised when:

- the Company has a present legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources will be required to settle the obligation; and
- the amount has been reliably estimated.

Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2. Critical Accounting Estimates and Judgments

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Property valuations of subsidiary undertakings

The Company's subsidiary undertakings have a significant portfolio of care homes and fluctuations in the value of this portfolio can have significant impact on the profit and loss account and balance sheet of the Company.

(b) Useful economic lives of tangible fixed assets

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

3. Immediate and Ultimate Parent Company

The immediate parent undertaking of the Company is Grupo Bupa Sanitas S.L.U., with its registered office at Calle Ribera Del Loira, 52, 28042, Madrid, Spain.

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

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

Notes to the financial statements (continued)

4. Staff Costs and Directors' Remuneration

The emoluments of the Directors are borne entirely by the other Bupa Group companies and are disclosed in the financial statements of those companies. The Company acts as a holding company and had no other employee costs during the current or preceding year.

5. Other Interest Receivable and Similar Income

	2017 £'000	2016 £'000
Bupa Group undertakings	4,413	7,921
Dividends	-	329
	4,413	8,250

6. Interest Payable and Similar Charges

	2017 £'000	2016 £'000
Bupa Group undertakings	4,819	180

7. Profit on Ordinary Activities Before Taxation

Profit on ordinary activities before taxation is stated after charging:	2017 £'000	2016 £'000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	2	2

Fees for the audit of the Company represent the amount receivable by the Company's auditor. The amount is not borne by the Company.

8. Tax on Loss on Ordinary Activities

(i) Tax included in profit or loss

	2017 £'000	2016 £'000
UK corporation tax on loss for the year	(78)	1,548
Total current tax	(78)	1,548
Deferred tax		
Adjustments in respect of prior periods	20	-
Changes in tax rates	-	1
Total deferred tax	20	1
Total tax on loss on ordinary activities	(58)	1,549

Notes to the financial statements (continued)

8. Tax on Loss on Ordinary Activities (continued)

(ii) Reconciliation of effective tax rate

	2017 £'000	2016 £'000
Loss on ordinary activities before taxation	(406)	(194,942)
Tax on loss on ordinary activities at standard UK corporation tax rate of 19.25% (2016: 20%)	(78)	(38,988)
Effects of:		
Non-deductible expenses	-	40,536
Adjustments in respect of deferred tax of previous years	20	-
Changes in taxation rate	-	1
Tax on loss on ordinary activities	(58)	1,549

9. Investments

	Shares in subsidiary undertakings £'000	Loan to group undertakings £'000	Total £'000
Cost			
At 1 January 2017	531,882	536,319	1,068,201
Disposals	-	(77,117)	(77,117)
At 31 December 2017	531,882	459,202	991,084
Provisions for impairment			
At 1 January 2017 and at 31 December 2017	262,013	-	262,013
Net Book Value			
At 31 December 2017	269,869	459,202	729,071
At 31 December 2016	269,869	536,319	806,188
Cost			
At 1 January 2016	159,201	277,060	436,261
Additions	376,881	259,259	636,140
Disposals	(4,200)	-	(4,200)
At 31 December 2016	531,882	536,319	1,068,201
Provisions for impairment			
At 1 January 2016	50,001	-	50,001
Additions	212,012	-	212,012
At 31 December 2016	262,013	-	262,013
Net Book Value			
At 31 December 2016	269,869	536,319	806,188
At 31 December 2015	109,200	277,060	386,260

Notes to the financial statements (continued)

9. Investments (continued)

In accordance with Section 409 of the Companies Act 2006, a full list of related undertakings of the Company and the percentage of each share class owned as at 31 December 2017, all of which have their registered office at 1 Angel Court, London, EC2R 7HJ unless stated otherwise, are disclosed below:

Name	Share Class Held	% held Indirectly	% held Directly
Bupa Care Homes (AKW) Limited	Ordinary	100	-
Bupa Care Homes (ANS) Limited	Ordinary Special	100 -	- 100
Bupa Care Homes (Bedfordshire) Limited	Ordinary	100	-
Bupa Care Homes (BNH) Limited	Ordinary	100	-
Bupa Care Homes (BNHP) Limited	Ordinary	100	-
Bupa Care Homes (Carrick) Limited*	Ordinary	100	-
Bupa Care Homes (CFCHomes) Limited	Ordinary	100	-
Bupa Care Homes (CFHCare) Limited	Ordinary Redeemable Preference	100 -	- 100
Bupa Care Homes (Developments) Limited	Ordinary	100	-
Bupa Care Homes (GL) Limited	Ordinary	100	-
Bupa Care Homes (HH Bradford) Limited	Ordinary	100	-
Bupa Care Homes (HH Hull) Limited	Ordinary	100	-
Bupa Care Homes (HH Leeds) Limited	Ordinary	100	-
Bupa Care Homes (HH Northumberland) Limited	Ordinary	100	-
Bupa Care Homes (HH Scunthorpe) Limited	Ordinary	100	-
Bupa Care Homes (HH) Limited	Ordinary	100	-
Bupa Care Homes (Partnerships) Limited	Ordinary	100	-
Bupa Care Homes (PT Lindsay Prop) Limited	Ordinary	100	-
Bupa Care Homes (PT Lindsay) Limited	Ordinary	100	-
Bupa Care Homes (PT Links Prop) Limited	Ordinary	100	-
Bupa Care Homes (PT Links) Limited	Ordinary	100	-
Bupa Care Homes (PT) Limited	Ordinary	100	-
Bupa Care Homes Group Limited (In Liquidation)**	Ordinary	-	100
Fulford Grange Medical Centre Limited	Ordinary	50	-
Watertight Investments Limited	Ordinary	100	-

* Registered office: 39 Victoria Road, Glasgow, G78 1NQ

** Registered office: Bridge House, Outwood Lane, Horsforth, Leeds, LS18 4UP

Loans to group undertakings

The Company shared in loans to subsidiary undertakings measured at cost and loans to group undertakings measured at FV and subsequently amortised cost.

Group undertakings	Date issued	Repayment date	Interest rate	2017 £'000	2016 £'000
Bupa Care Homes (GL) Limited	December 2013	December 2023	Six month LIBOR plus 110 basis points	61,255	66,094
Bupa Care Homes (CFCHomes) Limited	December 2013	December 2023	Six month LIBOR plus 110 basis points	103,741	128,028
Bupa Care Homes (CFHCare) Limited	December 2013	December 2023	Six month LIBOR plus 110 basis points	169,146	197,189
Bupa Care Homes (BNH) Limited	May 2014	May 2024	Six month LIBOR plus 110 basis points	125,060	145,008
				459,202	536,319

Notes to the financial statements (continued)

10. Debtors

	2017 £'000	2016 £'000
Amounts due within one year		
Amounts owed by Bupa Group undertakings	77	-
Amounts owed by Bupa Group undertakings are unsecured, have no fixed date of repayment and are repayable on demand.		
	2017 £'000	2016 £'000
Amounts due after one year		
Deferred tax	-	20

11. Creditors – Amounts Falling Due Within One Year

	2017 £'000	2016 £'000
Amounts owed to Bupa Group undertakings	190,000	265,008
Accruals and deferred income	7	7
	190,007	265,015

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

12. Creditors – Amounts Falling Due After More Than One Year

				2017 £'000	2016 £'000
Loans owed to Bupa Group undertakings				490,348	492,052
Loans owed to Bupa Group undertakings are repayable after ten years as follows:					
Group undertakings	Date issued	Repayment date	Interest rate	2017 £'000	2016 £'000
Bupa Finance plc	December 2013	December 2023	110 basis points over six-month LIBOR	415,329	408,811
Bupa Care Homes (Bedfordshire) Limited	December 2013	December 2023	110 basis points over six-month LIBOR	11,323	9,845
Bupa Care Homes (Partnerships) Limited	December 2013	December 2023	110 basis points over six-month LIBOR	4,069	2,858
Bupa Care Homes (AKW) Limited			110 basis points over six-month LIBOR	3,028	3,028
Bupa Care Homes (Carrick) Limited	June 2017	June 2027	110 basis points over six-month LIBOR	19,784	19,324
Bupa Care Homes (ANS) Limited	July 2016	December 2026	110 basis points over six-month LIBOR	36,815	48,186
				490,348	492,052

Notes to the financial statements (continued)

13. Deferred Tax

Deferred taxation is analysed as follows

	2017 Assets £'000	2017 Liabilities £'000	2017 Total £'000	2016 Assets £'000	2016 Liabilities £'000	2016 Total £'000
Capital losses	-	-	-	20	-	20

The movement in deferred taxation is as follows

	At 1 January 2017 £'000	Recognised in profit and loss account £'000	Recognised in other comprehensive income £'000	At 31 December 2017 £'000
Capital losses	20	(20)	-	-

	At 1 January 2016 £'000	Recognised in profit and loss account £'000	Recognised in other comprehensive income £'000	At 31 December 2016 £'000
Capital losses	22	(2)	-	20

14. Called up Share Capital

	2017 £'000	2016 £'000
Allotted, called up and fully paid		
162,213,958 (2016:162,213,958) ordinary shares of 25 pence each	40,553	40,553

15. Contingent Liabilities, Guarantees and Other Financial Commitments

(i) Contingent liabilities

At 31 December 2017, the Company was party to a £800 million revolving credit facility. The Company has joint and several liabilities for all obligations under the agreement.

(ii) Guarantees

The Company has given a guarantee in respect of a £350 million bond issue by Bupa Finance plc.

(iii) Financial commitments

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

16. Related Party Transaction

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 4 for disclosure of the Directors' remuneration.