

Bupa Denmark Services A/S

**Palaegade 8
1261 Copenhagen K**

CVR registration no.: 32 45 17 80

Annual Report 2019

10th Financial year

The Annual Report was presented and approved at the
Annual General Meeting of the Company:

Dated _____ 2020 _____

Chairman of the Meeting

CONTENTS

Statement by the Board of Directors and the Management Board	2
Independent auditor's report	3-4
Management's Review	5
Company details	5
Financial highlights	6
Operating review	7-10
Financial statements for the period 1 January – 31 December	11
Income statement	11
Balance sheet	12-13
Statement of changes in Equity	14
Notes to the Financial Statements	15-22

STATEMENT BY THE BOARD OF DIRECTORS AND THE MANAGEMENT BOARD

The Board of Directors and the Management Board have today reviewed and approved the Annual Report for the financial year from 1 January to 31 December 2019 for Bupa Denmark Services A/S.

The Annual Report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the financial statements give a true and fair view of the Company's assets, liabilities and financial position as at 31 December 2019, and of the results of the Company's operations for the period 1 January – 31 December 2019.

It is furthermore our opinion that the Management's review gives a fair review of the development in the Company's operations and financial circumstances, the results of the Company's operations, and its financial position.

We recommend that the Annual Report be approved at the Annual General Meeting.

Copenhagen, 24 April 2020

Management Board

Mark Joseph O'Dwyer
Managing Director

Board of Directors

Dean James Pollard
Chairman

Mark Joseph O'Dwyer

Irene Larsen

Michael Andersen

Klaus Arpe

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF BUPA DENMARK SERVICES A/S

Opinion

We have audited the financial statements of Bupa Denmark Services A/S for the financial year 1 January – 31 December 2019 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2019 and of the results of the Company's operations for the financial year 1 January – 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control, that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for 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 in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

INDEPENDENT AUDITOR'S REPORT

- obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 24 April 2020

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Jan Per Jensen
State Authorised Public Accountant
MNE 11 632

Anja Bjørnholt Lüthcke
State Authorised Public Accountant
MNE 26 779

MANAGEMENT'S REVIEW

Company Details

Bupa Denmark Services A/S

Address:	Palaegade 8 DK-1261 Copenhagen K Denmark
Registration no.:	32451780
Established:	17 September 2009
Registered office:	Copenhagen
Financial year:	10 th financial year
Financial period:	1 January – 31 December
Board of Directors:	Dean James Pollard, Chairman Mark Joseph O'Dwyer Irene Larsen Klaus Arpe Michael Andersen
Management Board:	Mark Joseph O'Dwyer
Auditors:	KPMG Statsautoriseret Revisionspartnerselskab CVR no. 25 57 81 98 Dampfærgevej 28 DK-2100 Copenhagen Ø
Annual General Meeting:	The ordinary Annual General Meeting is held on 1 May 2020.

MANAGEMENT'S REVIEW

Financial highlights

The Annual Report presents the 10th financial year for Bupa Denmark Services A/S, which includes 5-years financial development:

Key figures	(000 DKK)				
	1 Jan–31 Dec 2019	1 Jan–31 Dec 2018	1 Jan–31 Dec 2017	1 Jan–31 Dec 2016	1 Jan–31 Dec 2015
Revenue	213,397	185,104	176,656	176,293	177,829
Operating profits	9,639	10,249	10,573	9,172	9,225
Profit from financial income and expenses	- 196	- 103	- 61	- 53	1,588
Profit	7,343	49,573	8,192	7,115	8,254
Non-current assets	1,297	1,767	36,687	38,481	6,807
Current assets	59,644	51,658	33,801	34,005	57,066
Total assets	60,941	53,425	70,488	72,486	63,873
Current liabilities other than provisions	32,858	32,685	29,321	39,511	38,013
Total liabilities	32,858	32,685	29,321	39,511	38,013
Share capital	4,100	4,100	4,100	4,100	4,100
Retained earnings	23,983	16,640	37,067	28,875	21,760
Equity at 31 December	28,083	20,740	41,167	32,975	25,860
Dividend, paid	-	70,000	-	-	-
Return on equity	30%	125%	22%	24%	38%
Average number of full-time employees	192	188	187	181	184

MANAGEMENT'S REVIEW

Operating review

The Annual Report for the 10th financial year for Bupa Denmark Services A/S is hereby presented for the period from 1 January to 31 December 2019.

Principal activities of the Company

Vision

Bupa Denmark Services A/S' principal activity is to service Bupa's international health and travel portfolio.

Bupa is a leading healthcare group serving millions of customers worldwide. Bupa offers personal and company-financed health insurance and medical subscription products, runs hospitals, provides workplace health services, health assessments and chronic disease management services. Additionally a major international provider of nursing and residential care for elderly people.

Bupa has no shareholders, meaning all profits are re-invested to provide more and better healthcare and to fulfil our purpose. Providing a broad range of healthcare services, support and advice to people throughout their lives, to live **longer, healthier, happier lives**.

Business area

Bupa Denmark Services A/S was established to guarantee a high quality of service for Bupa's health and travel insurance customers. Bupa Denmark Services A/S does not sell insurance, but serves as a specialised provider for Bupa's customers offering two key areas:

- Emergency and Medical Assistance
- Customer Service and Claims Management

The Company provides operational reliability. Our employees' qualifications in these areas are therefore the key to providing the service and care that our customers expect, from a well-established and well-functioning supplier. The Company possesses the necessary experience that guarantees prompt and secure delivery, within the agreed time and price to fulfil the Bupa vision.

In 2019 we continued to strengthen our independent Quality Assurance work and Control and Governance activity. Enhanced training and systems development also contributed to these areas of improvement. The investment in these areas continues in order for Bupa Denmark Services A/S to be in the forefront of delivering high customer experience and customer outcomes. During 2019 we implemented a new advanced telephony system providing our employees with the ability to receive customer calls through their laptops. This capability was critical, for Bupa Denmark Services A/S, during the Covid-19 crisis to enable our employees to work from home and service our customers.

In 2018 Bupa incorporated Bupa Global DAC (BGDAC) a new insurance entity in Ireland to prepare for the UK leaving the EU. Bupa Denmark Services A/S delivers services to the policyholders of BGDAC, with the aim of ensuring existing EU customers are not being adversely impacted by Brexit. Bupa Denmark Services A/S has a key role in maintaining service for EU based customers that cannot be serviced from the UK.

MANAGEMENT'S REVIEW

Operating review

The two key business areas are presented in the following:

Emergency and Medical Assistance

The health sector is changing constantly due to the ageing of the population, increased prevalence of chronic illness and escalating expenses. Therefore, Bupa Denmark Services A/S' medical assistance is key to building confidence and cooperation with our customers. Our emergency service offers medical advice and assistance 24 hours a day, all year round. The team of doctors, nurses and service staff assist customers with organising evacuation and provides medical advice and treatment guidance.

Our emergency service responds to more than 130,000 telephone calls and emails yearly, and is involved in managing more than 1,000 evacuations.

Bupa Denmark Services A/S' emergency service supports Bupa's ambition to be a healthcare partner for our customers. Our objective is to be at their side at all stages during the customer journey and to contribute with both acute and preventive expertise. We have strengthened our clinical team in Bupa Denmark Services A/S during 2019 by leveraging knowledge and expertise from across Bupa locations.

Our recruitment standards are to employ employees with a bachelor's degree, and speaking and writing three languages as a minimum and that employees are from another country than Denmark or of a Dane have lived abroad for at least three months. These requirements we believe deliver the ability to have the necessary empowerment to decide for the customer the best outcome. The standards of recruitment are acknowledged in the feedback we receive from our customers.

Customer Service and Claims Management

The concept of "peace of mind" is key to the service concept provided by Bupa Denmark Services A/S.

We ensure that all cases are handled as quickly and competently as possible. Our brand has become synonymous with a high service level, and the satisfaction of our customers is the most important success criteria.

Bupa Denmark Services A/S has been appointed the site for delivering the service and claims handling for the Ultra High Net Worth Individuals which is a target segment for Bupa.

Our specialized service and claims teams servicing High Net Worth global customers totals more than 60 employees. During a year the service staff responds to close to 95,000 telephone calls and emails, and they receive more than 51,000 claims for payments to hospitals and policyholders, and our service target is to ensure that all cases, irrespective of their size, are concluded within seven days.

Our staff is central for high level customer service and we are proud to have a high rate of seniority, and all new staff we have recruited in 2019 have been carefully selected to secure that customers experience reliable and caring service.

MANAGEMENT'S REVIEW

Operating review

Development in activities and financial position

The profit for the financial year after tax amounts to DKK 7,343k (2018 : DKK 49,573k), corresponding to a return on equity of 30% (2018 : 125%).

The Management Board finds the profit for the year to be satisfactory.

The Company's equity at 31 December 2019 amounts to DKK 28,083k (2018 : DKK 20,740k).

On the basis of Bupa Denmark Service A/S' service agreements which continuously are renewed with 12 months' termination notice, and the Group's current payments to defray the Company's costs, the capital reserves in the Company are assessed to be sufficient to fulfil present and future commitments.

The Company is taxed jointly with the other Danish enterprises in the Bupa Group and is administrator of the joint taxation.

COVID-19

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

As the implications of COVID-19 are indicative of conditions that arose after the end of the reporting period end, it is a subsequent event that does not require any adjustments to the annual accounts for the financial year 2019. Whilst it is not possible, at this stage, to accurately estimate the financial impacts of this crisis, the Board of Directors note, as at the date of approval of these financial statements, as a service provider charging a mark-up on the costs it incurs, there has been no significant disruption in the Company's business up to the date of approval of these financial statements and currently there is not expected to be a material adverse impact on it. The Board of Directors continue to monitor the business for potential impacts and to manage the associated risks.

MANAGEMENT'S REVIEW

Operating review

Outlook

Bupa Denmark Services A/S will continue to strive to deliver high levels of customer service and quality. This service will strengthen the basis for increasing the number of customers, which in overall terms will ensure stable growth within the Company's business areas. Our ambition for 2020 is to strengthen our healthcare expertise by developing new competences and systems within claims handling and emergency service and help more customers live longer, healthier, happier lives.

The Company expects revenue of approximately DKK 205m for 2020 and profit of DKK 8m.

Bupa Denmark Services A/S will support Bupa Global's strategic framework and its vision to be the most admired healthcare company.

Bupa's vision is to be the most trusted health insurer and provider.

Bupa's goals are to have:

- A market-leading position in health funding
- Customer growth and market-leading NPS scores
- Strength in dental performance
- Growth in innovation and new propositions
- Strong financial discipline

The strategic framework is ambitious and strives for continued customer growth in the years ahead, allowing millions more people to live longer, healthier, happier lives.

The UK's departure from the EU was delayed from the original planned date of 29 March 2019 to 31 January 2020, with the transition period currently ending on 31 December 2020. Therefore as an insurance company based in the UK, Bupa Insurance Limited and Bupa Denmark Services A/S will have a number of activities to prepare for eventual departure from the EU this aiming for as little disruption to the customers as possible.

FINANCIAL STATEMENTS **for the period 1 January – 31 December**

Income Statement

INCOME STATEMENT		(000 DKK)	
	Note	1 Jan – 31 Dec 2019	1 Jan – 31 Dec 2018
Revenue	2)	213,397	185,104
Gross profit		213,397	185,104
Administrative expenses	3)	203,758	174,855
Operating profits		9,639	10,249
Financial income		83	81
Financial expenses		-279	-184
Sale of shares	7)	-	41,671
Profit before tax		9,443	51,817
Tax	9)	-2,100	-2,244
Profit	4)	7,343	49,573

FINANCIAL STATEMENTS
for the period 1 January – 31 December

Balance sheet

ASSETS		(000 DKK)	
NON-CURRENT ASSETS	Note	31 Dec 2019	31 Dec 2018
Intangible assets			
Completed development projects (IT)	5)	59	494
Property, plant and equipment			
Other plant, operating equipment and fixtures and fittings	6)	1,238	1,273
Investments			
Investment in associates	7)	0	0
Total non-current assets		1,297	1,767
CURRENT ASSETS	Note	31 Dec 2019	31 Dec 2018
Receivables			
Receivables from group enterprises		30,171	11,283
Other receivables		4,609	5,299
Corporation tax	9)	95	5,857
Deferred tax assets	9)	2,675	1,095
Prepayments		2,264	2,609
Total receivables		39,814	26,143
Cash		19,830	25,515
Total current assets		59,644	51,658
Total assets		60,941	53,425

FINANCIAL STATEMENTS
for the period 1 January – 31 December

Balance sheet

EQUITY AND LIABILITIES				(000 DKK)
EQUITY	Note	31 Dec 2019	31 Dec 2018	
Share capital	8)	4,100	4,100	
Retained earnings		23,983	16,640	
Total Equity		28,083	20,740	
LIABILITIES OTHER THAN PROVISIONS				Note
Current liabilities other than provisions				31 Dec 2019
Current liabilities other than provisions				31 Dec 2018
Debt to Group enterprises		1,988	751	
Trade payables		4,433	7,647	
Other payables	3)	26,437	24,287	
Total current liabilities other than provisions		32,858	32,685	
Total Equity and liabilities		60,941	53,425	

Contractual obligations and contingencies, etc.	10)
Events after the balance sheet date	11)
Related party disclosures	12)

FINANCIAL STATEMENTS
 for the period 1 January – 31 December

Statement of changes in equity

Statement of changes in equity		(000 DKK)		
	Share Capital	Retained earnings	Total Equity	
Equity as of 31 Dec. 2015	4,100	21,760	25,860	
Transferred, cf. profit distribution	-	7,115	7,115	
Equity as of 31 Dec. 2016	4,100	28,875	32,975	
Transferred, cf. profit distribution	-	8,192	8,192	
Equity as of 31 Dec. 2017	4,100	37,067	41,167	
Transferred, cf. profit distribution	-	49,573	49,573	
Dividend, paid	-	-70,000	-70,000	
Equity as of 31 Dec. 2018	4,100	16,640	20,740	
Transferred, cf. profit distribution	-	7,343	7,343	
Equity as of 31 Dec. 2019	4,100	23,983	28,083	

FINANCIAL STATEMENTS for the period 1 January – 31 December

Notes to the Financial Statements

Note 1: Accounting policies General principles

General principles

The Annual Report for Bupa Denmark Services A/S for 2019 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act.

The Annual Report is presented for the Company's 10th financial year and has been prepared in accordance with the same accounting principles as last year.

Omissions of Cash Flow Statements

Bupa Denmark Services A/S does not prepare statement of cash flows as the parent company prepares Consolidated Statement of Cash Flows. The annual accounts including the consolidated cash flows can be downloaded from www.bupa.com

Foreign currency translation

The Company's functional currency and presentation currency is Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates on the transaction date.

Foreign exchange differences arising between the exchange rates on the transaction date and on the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates on the balance sheet date. The difference between the exchange rates on the balance sheet date and on the date on which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Sale of services comprises performing of agreed tasks delivered to the customers on demand. The agreed tasks comprise medical assistance, digital product development and insurance policy and claims handling.

Revenue from the sale of services is recognised in the income statement when delivery and transfer of risk to the purchaser have taken place, on the basis of the agreements concluded. Revenue is recognised ex. VAT and taxes charged on behalf of third parties.

Administrative expenses

Administrative expenses comprise the costs of distribution, advertising, administration, facilities, payrolls, depreciation of non-current assets, etc.

FINANCIAL STATEMENTS for the period 1 January – 31 December

Notes to the Financial Statements

Note 1: Accounting policies Income statement

Financial income and expenses

Financial income and expenses comprise interest, realised and unrealised capital gains and losses on accounts in foreign currencies, amortisation of financial assets and liabilities, and premiums and receivables under the on-account tax scheme, etc.

Dividend from Investment in associates is recognised in the accounting year when the dividend declares.

Tax

Tax for the year comprises the current tax for the year and changes in deferred tax. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts carried directly to equity is recognised directly in equity.

Balance sheet

Intangible assets

Intangible assets comprise completed development projects (IT), which are depreciated on a straight-line basis over the expected useful life, which as a general rule is expected to be 3-5 years. Internal and external project development costs are included in intangible assets.

Intangible assets are written down if the recoverable amount or the value in use is lower than the book value. Impairment tests are carried out when there are indications of impairment.

Costs related to the maintenance of intangible assets are recognised in the year in which they are defrayed.

Property, plant and equipment

Other fixtures and fittings, tools and equipment, includes office furniture, IT equipment as well as art, which are recognised in the balance sheet at acquisition price less accumulated depreciation or value in use, if this is lower for non-temporary reasons.

Depreciation is made on a straight-line basis over the expected useful lives of the assets for other plant, operating equipment and fixtures and fittings, which is normally 3 years.

The profit or loss on the sale of property, plant and equipment is calculated as the difference between the sales price, less sales costs, and the carrying value on the date of sale. The profit or loss is recognised in the income statement under depreciation.

Investments

Equity investments in group entities and associates are measured at cost. In case of indication of impairment, an impairment test is conducted. When the cost exceeds the recoverable amount, write-down is made to this lower value.

FINANCIAL STATEMENTS for the period 1 January – 31 December

Notes to the Financial Statements

Note 1: Accounting policies Balance sheet

Receivables

The items Receivables from group enterprises and Other receivables are measured at the amortised cost at the end of year. Write down is made for bad debt losses.

The Item Prepayments comprise costs incurred concerning subsequent financial years and are measured at cost and primarily consist of rent, insurance, subscriptions and membership fees.

Cash

Cash at bank and in hand includes short-term bank deposits and petty cash.

Equity — dividend

Proposed dividend is recognised as a liability at the time that it is adopted by the Annual General Meeting (date of declaration). The dividend that is expected to be paid for the year is stated as a separate item under equity.

Corporation tax and deferred tax asset/liability

Bupa Denmark Services A/S is taxed jointly with the other Danish enterprises in the Bupa Group and is the administrator of the joint taxation.

The current Danish corporation tax is distributed between the jointly-taxed Danish enterprises in proportion to their taxable incomes (full distribution with reimbursement of taxable deficits). The jointly taxed enterprises are part of the tax paid on account scheme.

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable values.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities other than provisions

Liabilities include all trade payables, Group enterprises and other payables includes earned holiday allowance, pension, salary to terminated employees, etc.

Liabilities are measured at net realisable value.

FINANCIAL STATEMENTS for the period 1 January – 31 December

Notes to the Financial Statements

Note 2:		(000 DKK)	
Revenue			
		1 Jan – 31 Dec	
		2019	2018
Sale of administrative services to affiliated Group enterprises	213,397		185,104

Note 3:		(000 DKK)	
Administrative expenses & Other payables			
		1 Jan – 31 Dec	
		2019	2018
Wages and salaries	103,502		98,639
Pensions	11,068		10,424
Other social security expenses	1,347		1,285
Total	115,917		110,348
Average number of full-time employees	192		188
<p>Executive board consists of one member. Consequently, remuneration has not been disclosed. The attribution of remuneration to the role of executive board and members of the board of directors is DKK 50k.</p> <p>Included within Staff costs for 2018 are DKK 745k in respect of remuneration to executive board members during the year. The Board of directors receives no remuneration.</p> <p>Other payables in the balance sheet includes mainly employee liabilities to earned holiday allowance, etc.</p>			

Note 4:		(000 DKK)	
Proposed profit distribution			
		1 Jan – 31 Dec	
		2019	2018
Retained earnings	7,343		49,573
Total	7,343		49,573

FINANCIAL STATEMENTS for the period 1 January – 31 December

Notes to the Financial Statements

Note 5: Intangible assets		(000 DKK)		
Completed development projects (IT)	IT Projects	Total 31 December 2019	2018	
Costs as of 1 January	31,920	31,920	31,847	
Disposals	-	-	-	
Additions	-	-	73	
Cost, end of year	31,920	31,920	31,920	
Impairment and amortisation as of 1 January	31,426	31,426	30,869	
Disposals	-	-	-	
Impairment and amortisation	435	435	557	
Impairment and amortisation, end of year	31,861	31,861	31,426	
Carrying amount, end of year	59	59	494	
Amortised over	3-5 years			

Note 6: Property, plant and equipment		(000 DKK)			
Other fixtures and fittings, tools and equipment	Office furniture's, IT equipment, etc.	Art, etc.	Total 31 December 2019	2018	
Costs as of 1 January	31,456	1,452	32,908	32,804	
Disposals	-	-	-	-	
Additions	-	-	-	104	
Cost, end of year	31,456	1,452	32,908	32,908	
Impairment and depreciation as of 1 January	31,375	260	31,635	31,612	
Disposals	-	-	-	-	
Impairment and depreciation	35	-	35	23	
Impairment and depreciation, end of year	31,410	260	31,670	31,635	
Carrying amount, end of year	46	1,192	1,238	1,273	
Depreciation over	3 years				

FINANCIAL STATEMENTS

for the period 1 January – 31 December

Notes to the Financial Statements

Note 7: Investment (000 DKK)

Investment in associates	Total 31 December	
	2019	2018
Costs as of 1 January	0	34,517
Disposals	-	-34,517
Additions	-	-
Cost, end of year	0	0
Carrying amount, end of year	0	0

Name/legal form	Registered office	Ownership	Equity	Profit/loss for the year
Bupa Insurance (Bolivia)	Santa Cruz de la Sierra, Bolivia	0.000459%	40,538	1,827

The equity in Bupa Insurance (Bolivia) in local currency is translated at the exchange rate on the balance sheet date and the profit/loss for the year in local currency is translated at the average exchange rate for the year.

Note 8: Share Capital (000 DKK)

Share capital consists of shares in denominations of DKK100. No shares entail special rights.

FINANCIAL STATEMENTS
 for the period 1 January – 31 December

Notes to the Financial Statements

Note 9:	(000 DKK)	
Corporation tax and deferred tax (asset)	31 Dec 2019	31 Dec 2018
Tax of the profit of the year		
Current tax	3,680	2,193
Changes in the deferred tax asset	-1,580	51
	2,100	2,244
Corporation tax asset		
Balance, beginning of the year	5,857	-2,469
Payments in the year	-2,082	10,519
Current tax for the year	-3,680	-2,193
	95	5,857
Deferred tax asset		
Balance, beginning of the year	1,095	1,146
Deferred tax adjustment for the year	1,580	-51
	2,675	1,095

The deferred tax asset is calculated for intangible assets, property, plant and equipment and other payables.

Note 10:
Contractual obligations and contingencies, etc.

Operating lease obligations

Rent agreements have been included with a normal term of notice of less than 1 year. The rent commitment payments total DKK 4,378k (2018 : DKK 4,292k).

Contingent liabilities

The Company is jointly tax liable with the Danish enterprises in the Bupa group and administrator of the joint taxation. The Company is liable jointly and severally with other enterprises in the joint taxation of Danish company tax, withholdings taxes on dividends, interests and royalties in the joint taxation.

Note 11:
Events after the balance sheet date

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

As the implications of COVID-19 are indicative of conditions that arose after the end of the reporting period end, it is a subsequent event that does not require any adjustments to the annual accounts for the financial year 2019. Whilst it is not possible, at this stage, to accurately estimate the financial impacts of this crisis, the Board of Directors note, as at the date of approval of these financial statements, as a service provider charging a mark-up on the costs it incurs, there has been no significant disruption in the Company's business up to the date of approval of these financial statements and currently there is not expected to be a material adverse impact on it. The Board of Directors continue to monitor the business for potential impacts and to manage the associated risks.

FINANCIAL STATEMENTS

for the period 1 January – 31 December

Notes to the Financial Statements

Note 12: Related party disclosures

Bupa group

The Company is part of the Bupa group and has transactions with the following related parties:

Related party transactions have been carried out on an arm's length basis with the exception of the fact that the company's proportional costs regarding the managing director's total remuneration has not been reimbursed

- Bupa Denmark, filial af Bupa Insurance Limited, England
- Bupa Insurance Limited
- Bupa Insurance Services Ltd.
- Bupa Denmark, Filial af Bupa Global DAC, Irland
- Bupa Global Designated Activity Company
- Bupa Australia
- Bupa Ltd.
- Bupa (Asia) Limited
- Bupa Arabia
- Bupa Insurance Company
- Max Bupa Health Insurance Company Ltd.

Jointly taxed Danish enterprises

- Bupa Denmark, filial af Bupa Insurance Limited, England
- Bupa Denmark, Filial af Bupa Global DAC, Irland
- Bupa Denmark Services A/S (management company)

Ownership

The Company is wholly-owned by Bupa Finance Plc., which is part of the Bupa Group with headquarters at:

1 Angel Court
London EC2R 7HJ
United Kingdom

The Annual Reports and information about Bupa group's mission can be downloaded from the website:

www.bupa.com

Related party transactions	1 Jan – 31 Dec	
	2019	2018
Sale of goods to Group enterprises	213,129	184,919
Purchase of goods from Group enterprises	-24,275	-1,973
Total	188,854	182,946

Remuneration to the Parent Company's Executive Board and Board of Directors is disclosed in note 3.

Debt to Group enterprises are disclosed in the balance sheet. The balances do not generate interest.