

**THE VIRGIN HEALTHCARE FOUNDATION
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 1999**

**Company No: 2155645 (England and Wales)
Charity No: 297540**



THE VIRGIN HEALTHCARE FOUNDATION
COMPANY INFORMATION

Trustees	R.C.N. Branson M.Grade J.E.Jackson P.A.Emerson
Secretary	C.M.Howes
Company No.	2155645 -Registered in England and Wales
Charity No.	297540
Registered Office	Hanover House 14, Hanover Square London W1R OBE
Bankers	Barclays Bank plc 27, Soho Square London W1A 4WA
Solicitors	Harbottle & Lewis Hanover House 14, Hanover Square London W1R OBE
Auditors	Wilson Wright & Co Chartered Accountants 71 Kingsway London WC2B 6ST

THE VIRGIN HEALTHCARE FOUNDATION
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THE VIRGIN HEALTHCARE FOUNDATION REPORT OF THE TRUSTEES

The trustees present their annual report and financial statements for the year ended 31 July 1999.

Objects of the charity, principal activities and organisation of our work

The charity is constituted as a company limited by guarantee, and is therefore governed by its memorandum and articles of association.

The charity promotes research and education into current healthcare issues affecting the public.

The trustees make donations to charitable bodies and individuals at their discretion.

The charity is organised so that the trustees meet regularly to manage its affairs. There are no employees and fees are paid for management and administration services provided.

Trustees

The trustees in office during the year were as follows:

R.C.N. Branson

M. Grade

J.E. Jackson

P.A. Emerson

The Board of Trustees has the power to appoint additional trustees at its discretion.

Investment Powers

The Memorandum of Association authorises the trustees to invest and deal with the monies of the charity as they think fit.

Review of Progress and Achievements

During the year charitable donations amounting to £406,708 were made.

Transactions and financial position

The Statement of Financial Activities shows net income of £257,252 for the year, and reserves stand at £564,818 in total.

Trustees' Responsibilities

The trustees are obliged under company law to prepare financial statements for each year.

The financial statements, of which the form and content is prescribed by the Companies Act 1985, must give a true and fair view of the state of affairs of the company at the end of the financial year, and of the excess of income or expenditure for that period, and they must comply with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements. The trustees must prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue to operate. The trustees are also responsible for the adoption of suitable accounting policies, their consistent use in the financial statements, supported where necessary by reasonable and prudent judgements.

THE VIRGIN HEALTHCARE FOUNDATION REPORT OF THE TRUSTEES

The trustees confirm that the above requirements have been complied with in the financial statements.

In addition, the trustees are responsible for maintaining adequate accounting records and sufficient internal controls to safeguard the assets of the company and to prevent and detect fraud or any other irregularities.

Year 2000 Compliance

The company has allocated resources to address the impact of the Year 2000 date change on the business. The work in this respect is well advanced and the directors believe that compliance will not have a material impact on the company from either a financial or operational perspective. However, given the complexity of the issue, it is not possible for any organisation to be certain that no Year 2000 problems will occur, even if its own systems are fully compliant.

Auditors

The auditors, Wilson Wright & Co, will be proposed for re-appointment in accordance with Section 385(2) of the Companies Act 1985.

Small Company Exemptions

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By Order of the Board



C.M. Howes
Secretary

Date of approval 11 February 2000

REPORT OF THE AUDITORS

TO THE MEMBERS OF THE VIRGIN HEALTHCARE FOUNDATION

Report of the auditors to the members of The Virgin Healthcare Foundation

We have audited the financial statements on pages 4 to 13 which have been prepared in accordance with the accounting policies set out on page 7.

Respective responsibilities of trustees and auditors

As described in the Trustees Report, the company's trustees are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

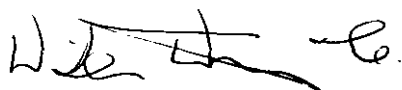
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relating to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the charity and its subsidiary at 31 July 1999 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.



Wilson Wright & Co
Chartered Accountants and
Registered Auditors
71 Kingsway
London WC2B 6ST

Date: 1 March 2000

**THE VIRGIN HEALTHCARE FOUNDATION AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 JULY 1999**

SUMMARY INCOME AND EXPENDITURE ACCOUNT

	Notes	Unrestricted Funds £	Restricted Funds £	1999 Total £	1998 Total £
Incoming Resources					
Donations received		316,870	401,546	718,416	472,268
Interest receivable		16,577	1,508	18,085	18,767
Net loss/profit of trading subsidiary	2	(9)		(9)	8
Total income		<u>333,438</u>	<u>403,054</u>	<u>736,492</u>	<u>491,043</u>
Resources Expended					
Direct charitable expenditure	3	83,739	322,969	406,708	430,845
Management and administration	4	<u>66,344</u>	<u>6,188</u>	<u>72,532</u>	<u>72,174</u>
Total expenditure		<u>150,083</u>	<u>329,157</u>	<u>479,240</u>	<u>503,019</u>
Net income/(expenditure) for the year	5	183,355	73,897	257,252	(11,976)
Net movement in funds for the year					
Balances at 1 August 1998		<u>279,886</u>	<u>27,680</u>	<u>307,566</u>	<u>319,542</u>
Balances at 31 July 1999		<u><u>463,241</u></u>	<u><u>101,577</u></u>	<u><u>564,818</u></u>	<u><u>307,566</u></u>

THE VIRGIN HEALTHCARE FOUNDATION
CONSOLIDATED BALANCE SHEET AT 31 JULY 1999

	Notes	1999		1998	
		£	£	£	£
Fixed Assets					
Tangible assets	7		856		1,397
Current Assets					
Stock		-		1,100	
Debtors	9	4,582		-	
Cash at bank and in hand		<u>611,184</u>		<u>348,289</u>	
		615,766		349,389	
Creditors					
Amounts falling due within one year	10	<u>51,804</u>		<u>43,220</u>	
Net Current Assets			<u>563,962</u>		<u>306,169</u>
Total Assets less Current Liabilities			<u><u>564,818</u></u>		<u><u>307,566</u></u>
Capital					
Restricted Fund	11		101,577		27,680
Unrestricted Fund			463,223		279,859
Non-charitable trading funds			<u>18</u>		<u>27</u>
			<u><u>564,818</u></u>		<u><u>307,566</u></u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective March 1999).

Approved by the Board

Trustee

Trustee

Date:

11/2/00

THE VIRGIN HEALTHCARE FOUNDATION
BALANCE SHEET AT 31 JULY 1999

	Notes	1999		1998	
		£	£	£	£
Fixed Assets					
Tangible assets	7		856		1,397
Current Assets					
Debtors	9	-		923	
Cash at bank and in hand		586,033		316,937	
		<u>586,033</u>		<u>317,860</u>	
Creditors					
Amounts falling due within one year	10	<u>22,089</u>		<u>11,718</u>	
Net Current Assets			<u>563,944</u>		<u>306,142</u>
Total Assets less Current Liabilities			<u>564,800</u>		<u>307,539</u>
Capital					
Restricted Fund	11	101,577		27,680	
Unrestricted Fund		<u>463,223</u>		<u>279,859</u>	
		<u>564,800</u>		<u>307,539</u>	

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective March 1999).

Approved by the Board

Trustee

Trustee

Date:

11/12/00

THE VIRGIN HEALTHCARE FOUNDATION
NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 1999

1 Accounting policies

1.1 Basis of preparation of accounts

The accounts are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 1999), and in compliance with the Statement of Recommended Practice on Charity accounts.

1.2 Basis of Consolidation

The consolidated financial statements include the audited financial statements of the Company and its wholly owned subsidiary company, Community Carelines Limited.

1.3 Income

Voluntary donations and receipts under deed of covenant are accounted for on a receipts basis.

1.4 Expenditure on management and administration of the Company

Administration expenditure includes all expenditure not directly related to the charitable activity.

1.5 Value added tax

Value added tax is not recoverable by the Company, and as such is included in the relevant costs in the Statement of Financial Activities.

1.6 Tangible fixed assets

Depreciation is provided on a straight line basis at the following annual rates in order to write off each asset over its estimated useful life:

Fixtures, fittings & equipment	20%
Motor Vehicle	25%

1.7 Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions are converted into sterling at the average rate for the month in which the transactions occurred. Exchange differences are taken into account in arriving at the operating result.

**THE VIRGIN HEALTHCARE FOUNDATION
NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 1999**

	1999	1998
	£	£
2 Net loss/profit of trading subsidiary		
Turnover	1,000	2,655
Cost of Sales	<u>1,100</u>	<u>250</u>
	(100)	2,405
Administrative and establishment expenses	<u>2,072</u>	<u>2,674</u>
	(2,172)	(269)
Other operating income	1,200	-
Interest receivable	<u>963</u>	<u>1,200</u>
	(9)	931
Covenanted payment to parent company	<u>-</u>	<u>(923)</u>
	<u>(9)</u>	<u>8</u>

The principal activity of the wholly owned trading subsidiary, Community Carelines Limited, is marketing and promotion in the healthcare field.

	1999	1998
	£	£
3 Direct charitable expenditure		
Donations		
An analysis of donations is as follows:		
Unrestricted		
Omagh Fund	25,000	
Hurricane Mitch Appeal	7,610	
HEMS	5,498	
British Mt. Everest Expedition	5,000	
The Terrence Higgins Trust	5,000	
Save the Children	4,647	
ICMEC	3,537	
Jennifer Trust	3,200	
Guys & St. Thomas	3,000	
Hearing Dogs for the Deaf	2,500	
Variety Club Wheelchair Appeal	2,468	
California Aids Ride	1,565	
Whizz-Kidz	1,500	
Kensington & Chelsea Arts Council	1,500	
Winslow Lions Marathon Appeal	1,000	
The Motivation Charitable Trust		70,000
Limegrove Appeal		10,000
Kaleidoscope		5,000
Barretstown		3,683
Oxford Brookes University		1,136
Brook Advisory Centres		1,000
The Crocus Trust		1,000
Cruse		1,000
Middlesex Young People's Clubs		1,000
Rainbow Family Trust		1,000
Balance carried forward	<u>73,025</u>	<u>94,819</u>

**THE VIRGIN HEALTHCARE FOUNDATION
NOTES TO THE ACCOUNTS
YEAR ENDED JULY 1999**

3 Direct charitable expenditure (continued)

	1999	1998
	£	£
Balance brought forward	73,025	94,819
Berks.Association of Young People		1,000
F.A.C.E.S.		1,000
Teenage Cancer Trust		1,000
Douglas Lad's Youth Group		1,000
Leeds Carers Centre		1,000
Mental Health Volunteer Scheme		1,000
Durham Hospitals Radio		1,000
N. County Scouts		1,000
The Andrea Adams Trust		1,000
Volunteer Reading Help		1,000
John McNeil Opportunity Centre		1,000
WAMDSAD		1,000
Tiny Tim Centre		1,000
E.Suffolk Assoc.for the Blind		1,000
Sunfield Children's Homes		1,000
Body & Soul		1,000
The Core Trust		1,000
HWDA		1,000
Kidlington Family Centre	1,000	1,000
To two individuals	9,500	-
Others -less than £1,000	214	6,737
	<u>83,739</u>	<u>120,556</u>
Restricted		
Mercy Ships	97,811	
Cancer Research Campaign	81,328	
Save the Children	70,000	
The Antony Nolan Bone Marrow Trust	36,162	
Victims of Hurricane Mitch	14,889	
Comic Relief	6,443	
Kosovo	5,000	
Children in Need	3,155	
Adam Walsh	2,942	
Medicines Monde	2,706	
Motivation		83,024
Save The Children		83,007
Prince's Trust		70,542
Care International		63,351
Nelson Mandela Children's Fund		6,520
Barretstown		2,514
Terence Higgins Trust		1,331
Others -less than £1,000	2,533	-
	<u>322,969</u>	<u>310,289</u>
Grand total	<u>406,708</u>	<u>430,845</u>

THE VIRGIN HEALTHCARE FOUNDATION
NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 1999

	Unrestricted funds	Restricted funds	Unrestricted funds	Restricted funds
	1999	1999	1998	1998
	£	£	£	£
4 Management and administration				
Fees payable	40,146		38,834	-
Printing, postage and stationery	3,210		715	-
Telephone	2,204		2,233	-
Motor and travel	9,094		9,327	-
Legal, professional and accountancy fees	10,317		9,026	-
General	832	111	1,303	-
Depreciation	541		542	-
Security charges		6,077	-	10,194
	<u>66,344</u>	<u>6,188</u>	<u>61,980</u>	<u>10,194</u>

5 Net income/Deficit for the year

	1999	1998
	£	£
Net incoming resources for the year is stated after charging:		
Depreciation of tangible fixed asset	541	542
Audit	2,675	3,263
Accountancy	3,494	2,613
	<u> </u>	<u> </u>

6 Staff costs

No remuneration was paid to the trustees during the year nor were any expenses re-imbursed to them.
There were no staff costs.

THE VIRGIN HEALTHCARE FOUNDATION
NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 1999

7 Tangible fixed assets	Fixtures fittings and equipment £	Motor vehicle £	Total £
Group and Company			
Cost			
At 1 August 1998 and at 31 July 1999	8,809	10,000	18,809
Depreciation			
At 1 August 1998	7,413	9,999	17,412
Charge for the year	541	-	541
At 31 July 1999	7,954	9,999	17,953
Net book values			
At 31 July 1999	855	1	856
At 31 July 1998	1,396	1	1,397

Fixtures, fittings and equipment and the motor vehicle were used in the management and administration of the Company.

8 Fixed Asset Investment

Company

The Company owns the entire issued share capital of Community Carelines Limited, a company incorporated in England. The shares were acquired by way of gift.

THE VIRGIN HEALTHCARE FOUNDATION
NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 1999

	Group		Company	
	1999	1998	1999	1998
	£	£	£	£
9 Debtors				
Amounts falling due within one year:				
Other debtor	4,582	-	-	-
Amount owed by subsidiary	-	-	-	923
	<u>4,582</u>	<u>-</u>	<u>-</u>	<u>923</u>

	Group		Company	
	1999	1998	1999	1998
	£	£	£	£
10 Creditors				
Amounts falling due within one year:				
Other creditors	38,577	29,150	10,625	-
Accruals	13,227	14,070	11,464	11,718
	<u>51,804</u>	<u>43,220</u>	<u>22,089</u>	<u>11,718</u>

11 Restricted Fund				
	At 1 August 1998	Movement in Resources Incoming	Outgoing	At 31 July 1999
	£	£	£	£
'Change for Children'	<u>27,680</u>	<u>403,054</u>	<u>(329,157)</u>	<u>101,577</u>

The 'Change for Children' fund represent cash collections made on board Virgin airline flights. All collections are donated to nominated charities.

12 Analysis of Group Net Assets between Funds

	Unrestricted Funds	Restricted Fund	Total
	£	£	£
Fixed Assets	856	-	856
Current Assets	514,189	101,577	615,766
Current Liabilities	(51,804)	-	(51,804)
	<u>463,241</u>	<u>101,577</u>	<u>564,818</u>

**THE VIRGIN HEALTHCARE FOUNDATION
NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 1999**

13 Related Party Disclosure

£309,046 was donated in the year by Virgin Atlantic Airways Limited, a company which is a member of a group whose principal shareholders are certain trusts none of which individually has a controlling interest. The principal beneficiaries of these trusts are R. Branson and his immediate family.
