

**Virgin Pulse (UK) Limited**

**Directors' Report and Financial Statements**

Registered number 4747970

31 March 2013

WEDNESDAY



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## Directors' Report

The directors present their report and the financial statements for the year ended 31 March 2013

### Principal activities

The principal activity of the Company is that of an investment holding company

### Business review

The Company has net liabilities. However, as detailed in note 1 to the financial statements a parent undertaking, Virgin Group Holdings Limited, has formally indicated that it is its present intention to provide sufficient funding to the Company to enable it to meet its liabilities as they fall due, for at least the next twelve months. The directors have no reason to believe that the parent company will not be in a position to provide this support. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

### Results and dividends

The loss for the year, after taxation, amounted to £491,000 (2012 - loss £713,000)

The directors do not recommend the payment of a dividend (2012 £nil)

### Directors

The directors who served during the year were

R P Blok (appointed 21 June 2013)  
N A R Fox (appointed 21 June 2013)  
C R Stent (resigned 21 June 2013)  
I P Woods

### Provision of information to auditor

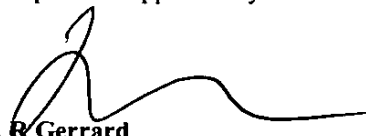
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company's auditor in connection with preparing its report and to establish that the Company's auditor is aware of that information

### Auditor

Pursuant to Section 487 of the Companies Act 2006 the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office

This report was approved by the board on 15 November 2013 and signed on its behalf



B A R Gerrard  
Secretary  
The Battleship Building  
179 Harrow Road  
London  
W2 6NB

**Directors' Responsibilities Statement**  
*For the Year Ended 31 March 2013*

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 judgments and accounting 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Independent Auditor's Report to the Members of Virgin Pulse (UK) Limited**

We have audited the financial statements of Virgin Pulse (UK) Limited for the year ended 31 March 2013, set out on pages 4 to 10. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' responsibilities statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 March 2013 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

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

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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



Sarah Styant (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
15 Canada Square  
London  
E14 5GL

15 November 2013

**Profit and Loss Account**  
*For the Year Ended 31 March 2013*

	<i>Note</i>	<b>2013 £000</b>	<b>2012 £000</b>
Administrative expenses		<u>295</u>	<u>(21)</u>
<b>Operating profit/(loss)</b>	<b>2</b>	<b>295</b>	<b>(21)</b>
Interest payable and similar charges	<b>5</b>	<u>(786)</u>	<u>(781)</u>
<b>Loss on ordinary activities before taxation</b>		<b>(491)</b>	<b>(802)</b>
Tax on loss on ordinary activities	<b>6</b>	<u>-</u>	<u>89</u>
<b>Loss for the financial year</b>	<b>11</b>	<u><b>(491)</b></u>	<u><b>(713)</b></u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2013 or 2012 other than those included in the profit and loss account

The notes on pages 6 to 10 form part of these financial statements

**Balance Sheet**  
*As at 31 March 2013*

	<i>Note</i>	<b>£000</b>	<b>2013 £000</b>	<b>£000</b>	<b>2012 £000</b>
<b>Fixed assets</b>					
Investments	7		-		-
<b>Current assets</b>					
Debtors	8	100		100	
<b>Creditors: amounts falling due within one year</b>	9	<b>(23,473)</b>		<b>(22,982)</b>	
<b>Net current liabilities</b>			<b>(23,373)</b>		<b>(22,882)</b>
<b>Net liabilities</b>			<b>(23,373)</b>		<b>(22,882)</b>
<b>Capital and reserves</b>					
Called up share capital	10		-		-
Profit and loss account	11		<b>(23,373)</b>		<b>(22,882)</b>
<b>Shareholders' deficit</b>	12		<b>(23,373)</b>		<b>(22,882)</b>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 November 2013



**I P Woods**  
Director

The notes on pages 6 to 10 form part of these financial statements

## Notes to the Financial Statements

### 1. Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

#### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

The Company has net liabilities. The financial statements have been prepared on a going concern basis in view of the fact that the parent undertaking, Virgin Group Holdings Limited, has formally indicated that it is its present intention to provide sufficient funding to the Company, to enable it to meet its liabilities as they fall due, for at least the next twelve months

The directors have no reason to believe that the parent Company will not be in a position to provide the support referred to above and, accordingly, they have prepared the financial statements on the going concern basis

As a wholly owned subsidiary of Virgin Group Holdings Limited, the Company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group

The Company is exempt from the requirement to prepare group financial statements by virtue of being subject to the small companies regime of the Companies Act 2006. These financial statements present information about the Company as an individual undertaking and not about its group

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds of its size

#### 1.2 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

#### 1.3 Investments

Investments held as fixed assets are shown at cost less provision for impairment

### 2. Operating profit/(loss)

The operating profit/(loss) is stated after crediting

	2013 £000	2012 £000
Write off of amounts owed to a group undertaking	295	-

## Notes to the Financial Statements

### 3. Auditors' remuneration

	2013 £000	2012 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	-	4

The audit fees for the current year were borne by another group company

### 4. Directors' remuneration

The directors did not receive any remuneration during the year for services to the Company (2012 £nil)

### 5. Interest payable and similar charges

	2013 £000	2012 £000
On loans from group undertakings	771	780
Net foreign exchange losses	15	1
	<u>786</u>	<u>781</u>

## Notes to the Financial Statements

### 6. Taxation

	2013 £000	2012 £000
Adjustments in respect of prior periods	-	(89)
<b>Tax on loss on ordinary activities</b>	<b>-</b>	<b>(89)</b>

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2012 - higher than) the standard rate of corporation tax in the UK of 24% (2012 - 26%) The differences are explained below

	2013 £000	2012 £000
Loss on ordinary activities before tax	(491)	(802)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 24% (2012 - 26%)	(118)	(209)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	185	203
Utilisation of tax losses	(9)	-
Adjustments to tax charge in respect of prior periods	-	(89)
Non-taxable income	(58)	-
UK tax losses not utilised or not recognised	-	6
<b>Current tax charge/(credit) for the year</b>	<b>-</b>	<b>(89)</b>

#### Factors that may affect future tax charges

Details of the Company's total recognised and unrecognised deferred tax assets at the year end (and prior year end) are shown in the table in the balance sheet note below

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted

A reduction in the rate from 24% to 23% (effective from 1 April 2013) was substantively enacted on 3 July 2012. A rate of 23% has been used within the deferred tax calculations within these financial statements

Further reductions to the main rate are proposed to reduce the rate to 21% from 1 April 2014 and to 20% by 1 April 2015. Neither of these expected rate reductions had been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements

	2013 Recognised £000	2013 Unrecognised £000	2012 Recognised £000	2012 Unrecognised £000
UK tax losses	-	(67)	-	(79)

## Notes to the Financial Statements

### 7. Fixed asset investments

	<i>Investments in subsidiary companies £000</i>
<b>Cost or valuation</b>	
At 1 April 2012 and 31 March 2013	14,116
<b>Impairment</b>	
At 1 April 2012 and 31 March 2013	14,116
<b>Net book value</b>	
At 31 March 2013	-
At 31 March 2012	-

The companies in which the Company's interest at 31 March 2013 is more than 20% are as follows

	<b>Country of registration</b>	<b>Principal activity</b>	<b>Holding</b>	<b>Class of shares</b>
<b><i>Subsidiary undertakings</i></b>				
Virgin Pulse Holding Company LLC	USA	Investment holding company	100%	US\$ ordinary units

### 8. Debtors

	<b>2013 £000</b>	<b>2012 £000</b>
Amounts owed by group undertakings	100	100

### 9. Creditors: Amounts falling due within one year

	<b>2013 £000</b>	<b>2012 £000</b>
Amounts owed to group undertakings	23,473	22,978
Accruals and deferred income	-	4
	<b>23,473</b>	<b>22,982</b>

## Notes to the Financial Statements

### 10. Share capital

	2013 £000	2012 £000
Allotted, called up and fully paid		
1 ordinary share of £1	-	-

### 11. Reserves

	<i>Profit and loss account</i> £000
At 1 April 2012	(22,882)
Loss for the year	(491)
At 31 March 2013	(23,373)

### 12. Reconciliation of movement in shareholders' deficit

	2013 £000	2012 £000
Opening shareholders' deficit	(22,882)	(22,169)
Loss for the year	(491)	(713)
Closing shareholders' deficit	(23,373)	(22,882)

### 13. Related party transactions

The ultimate parent undertaking at 31 March 2013 was Virgin Group Holdings Limited, whose principal shareholders are Sir Richard Branson and certain trusts, none of which individually has a controlling interest in Virgin Group Holdings Ltd. The principal beneficiaries of those trusts are Sir Richard Branson and/or his immediate family. The shareholders of Virgin Group Holdings Limited have interests directly or indirectly in certain other companies which are considered to give rise to related party disclosures under Financial Reporting Standard No. 8.

As a 100% owned subsidiary of Virgin Group Holdings Limited, the Company has taken advantage of the exemption under Financial Reporting Standard 8 Related Party Disclosures, which enables it to exclude disclosure of transactions with Virgin Group Holdings Limited and its wholly owned subsidiaries.

### 14. Ultimate parent undertaking and controlling party

The ultimate parent undertaking at 31 March 2013 was Virgin Group Holdings Limited, a company incorporated in the British Virgin Islands.

The largest and smallest group in which the Company's results are consolidated are those for Virgin Wings Limited and Virgin Holdings Limited respectively, companies which are registered in England and Wales. Copies of the group accounts for Virgin Wings Limited and Virgin Holdings Limited can be obtained from Companies House, Crown Way, Cardiff CF14 3UZ.