

Company Registration No. 05857552

CitySprint Healthcare Limited

Annual Report and Financial Statements

31 December 2013

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CitySprint Healthcare Limited

Annual report and financial statements 2013

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CitySprint Healthcare Limited

Officers and professional advisers

Directors

P A Gallagher (Chief Executive)
G A M Keenan

Secretary

G A M Keenan

Registered Office

Ground Floor
RedCentral
60 High Street
Redhill
Surrey RH1 1SH

Bankers

The Royal Bank of Scotland PLC
280 Bishopgate
London EC2M 4RB

Clydesdale Bank
35 Regent Street
Piccadilly Circus
London
SW1Y 4ND

Solicitors

Squire Sanders UK LLP
7 Devonshire Square
London
EC2M 4YH

Auditor

Deloitte LLP
Chartered Accountants
Crawley

CitySprint Healthcare Limited

Directors' report

The directors present their annual report on the affairs of the company, together with the financial statements and auditor's report for the year ended 31 December 2013

Principal activities

The principal activity of the company is the provision of healthcare courier services

Results and dividends

The profit for the year amounted to £529,495 (2012 £228,011)

The directors do not recommend the payment of any dividends (2012 £nil)

Directors

The directors who served throughout the year, were as follows

P A Gallagher

G A M Keenan

Indemnity insurance

Directors and officers indemnity insurance was in place throughout the year and at the date of approval of these financial statements

Auditor

During the year, Deloitte LLP was appointed in office as auditor of the company. A resolution for their reappointment will be proposed at the forthcoming Annual General Meeting

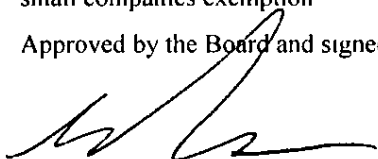
Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself 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 s418 of the Companies Act 2006

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption

Approved by the Board and signed on its behalf by



G A M Keenan
Director

23 April 2014

CitySprint Healthcare Limited

Directors' responsibilities statement

The directors are responsible for preparing the Annual 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of CitySprint Healthcare Limited

We have audited the financial statements of CitySprint Healthcare Limited for the year ended 31 December 2013 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 16. 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 the auditor

As explained more fully in the Directors' Responsibilities Statement, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 December 2013 and of its profit 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, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime or take advantage of the small companies exemption in preparing the directors' report.



Ian Smith ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Crawley, United Kingdom
23 April 2014

CitySprint Healthcare Limited

Profit and loss account

For the year ended 31 December 2013

	Note	2013 £	2012 £
Turnover	2	23,494,290	21,818,961
Cost of sales		(17,797,647)	(16,814,971)
Gross profit		5,696,643	5,003,990
Administrative expenses		(5,011,151)	(4,650,712)
Operating profit	3	685,492	353,278
Operating profit comprises			
EBITDA		1,405,412	1,138,645
Depreciation		-	-
Amortisation		(719,920)	(785,367)
Interest payable and similar charges	4	(21,960)	(22,903)
Profit on ordinary activities before taxation		663,532	330,375
Tax on profit on ordinary activities	5	(134,037)	(102,364)
Profit for the financial year	12	529,495	228,011

All the results derive from continuing operations

There are no further recognised gains and losses for the current and preceding financial year other than as stated in the profit and loss account and as a result no statement of total recognised gains and losses is given

EBITDA is presented on the face of the profit and loss account as the Directors believe that it is a key financial performance measure for the company EBITDA is defined as the operating profit before interest, taxation, depreciation and amortisation

CitySprint Healthcare Limited

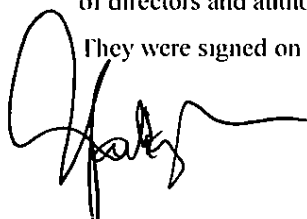
Balance sheet 31 December 2013

	Note	2013 £	2012 £
Fixed assets			
Goodwill	6	-	719,921
Current assets			
Debtors			
- due within one year	7	3,870,443	2,423,322
- due after more than one year	7	-	2,070
Cash at bank and in hand		59,427	53,186
		<u>3,929,870</u>	<u>2,478,578</u>
Creditors: amounts falling due within one year	8	<u>(1,643,713)</u>	<u>(900,703)</u>
Net current assets		2,286,157	1,577,875
Total assets less current liabilities		2,286,157	2,297,796
Creditors: amounts falling due after more than one year	9	<u>(1,084,663)</u>	<u>(1,625,797)</u>
Net assets		<u>1,201,494</u>	<u>671,999</u>
Capital and reserves			
Called up share capital	11	100	100
Profit and loss account	12	<u>1,201,394</u>	<u>671,899</u>
Equity shareholders' funds	13	<u>1,201,494</u>	<u>671,999</u>

The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

The financial statements of CitySprint Healthcare Limited, registered number 05857552, were approved by the board of directors and authorised for issue on 23 April 2014

They were signed on its behalf by



P A Gallagher
Director

CitySprint Healthcare Limited

Notes to the financial statements For the year ended 31 December 2013

1. Accounting policies

The principal accounting policies are summarised below. The financial statements are prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007). They have all been applied consistently throughout the current year and the preceding year.

Basis of accounting

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

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic report of the parent company, CitySprint (UK) Limited.

The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level the Group's current facilities including the receivables financing facility.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Cash flow statement

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that the company is wholly owned and its parent publishes consolidated financial statement.

Goodwill

Goodwill is the difference between the fair value of consideration paid for an acquired entity and the aggregate of the fair value of that entity's identifiable assets and liabilities. Positive goodwill arising on acquisitions is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life up to a maximum of 20 years. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable.

The value of the small trade and asset acquisitions is classified as goodwill in accordance with FRS10 and amortised over 2 years.

Finance costs

The finance cost, including loan issue costs, recognised in the profit and loss account in respect of capital instruments other than equity shares is allocated to periods over the term of the instrument at a constant rate on the carrying amount.

CitySprint Healthcare Limited

Notes to the financial statements For the year ended 31 December 2013

1. Accounting policies (continued)

Financial instruments

Financial instruments are classified, and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Taxation

Current tax, including UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, 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 differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Receivables financing facility

Trade debtors are subject to a financing arrangement whereby an advance is received based upon and secured upon trade receivables.

Where the company has retained significant benefits and risks relating to the financed debts, separate presentation is adopted whereby the gross debts and a corresponding liability in respect of the advance received are shown separately on the balance sheet. The interest element of the finance charges is recognised as it accrues and is included in the profit and loss account with other interest charges.

2. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties in respect of the company's continuing activities. Turnover is recognised once the courier service is completed.

CitySprint Healthcare Limited

Notes to the financial statements For the year ended 31 December 2013

3. Operating profit

	2013 £	2012 £
Operating profit is stated after charging:		
Amortisation of intangible fixed assets	719,920	785,367
Directors' emoluments	-	-

The audit fee of £6,000 is borne by a fellow subsidiary undertaking of the Group

The company did not have any employees in the current or prior years

4 Interest payable and similar charges

	2013 £	2012 £
Interest on bank loans wholly repayable within five years	21,960	22,903

5. Tax on profit ordinary activities

Analysis of charge in the year

	2013 £	2012 £
Current tax		
United Kingdom corporation tax at 23 25% (2012 24 5%) based on the profit for the period	131,967	80,680
Adjustments in respect of prior year	-	21,504
Total current tax	131,967	102,184
Deferred tax		
Timing differences, origination and reversal	2,070	180
Total tax charge for the year	134,037	102,364

Factors affecting current tax charge for the year

The tax assessed for the period is lower (2012 higher) from that resulting from applying the standard rate of corporation tax in the UK 23 25% (2012 24 5%) The differences are explained below

	2013 £	2012 £
Profit on ordinary activities before taxation	663,532	330,375
Tax on profit on ordinary activities at standard UK corporation tax rate of 23 25% (2012 24 5%)	154,248	80,933

CitySprint Healthcare Limited

Notes to the financial statements For the year ended 31 December 2013

5 Tax on profit ordinary activities (continued)

Factors affecting current tax charge for the year (continued)

	2013 £	2012 £
Effects of		
Disallowed expenses and non-taxable income	289	238
Other timing differences	(2,092)	-
Transfer pricing adjustment	(20,478)	-
Marginal tax relief	-	(491)
Adjustments to tax charge in respect of prior year	-	21,504
Total actual amount of current tax	131,967	102,184

Deferred taxation

Deferred tax recognised in the financial statements is as follows

	2013 £	2012 £
Other timing differences	2,070	180
Deferred tax charge for the year	2,070	180

Factors that may affect future tax charge

The Finance Act 2013, which provides for reductions in the main rate of corporation tax from 23% to 21% effective from 1 April 2014 and to 20% effective from 1 April 2015, was substantively enacted on 2 July 2013. These rate reductions have been reflected in the calculation of deferred tax at the balance sheet date.

6 Goodwill

	Goodwill £
Cost	
At 1 January 2013 and 31 December 2013	1,945,135
Amortisation	
At 1 January 2013	1,225,214
Charge for the year	719,921
At 31 December 2013	1,945,135
Net book value	
At 31 December 2013	-
At 31 December 2012	719,921

Included within goodwill is £1,945,135 (2012: £374,000) that has been fully amortised.

CitySprint Healthcare Limited

Notes to the financial statements For the year ended 31 December 2013

7. Debtors

	2013 £	2012 £
Amounts falling due within one year		
Trade debtors	3,745,943	2,420,219
Prepayments	124,500	3,103
	<u>3,870,443</u>	<u>2,423,322</u>
Amounts falling due after more than one year		
Deferred tax asset	-	2,070
	<u>-</u>	<u>2,070</u>

8. Creditors: amounts falling due within one year

	2013 £	2012 £
Bank loans (note 10)	712,046	267,232
Trade creditors	767,002	504,013
Corporation tax	131,967	80,680
Other creditors	32,698	33,543
Accruals	-	15,235
	<u>1,643,713</u>	<u>900,703</u>

9 Creditors: amounts falling due after more than one year

	2013 £	2012 £
Amounts due to parent undertaking	<u>1,084,663</u>	<u>1,625,797</u>

10. Bank loans

	2013 £	2012 £
Wholly repayable within one year		
Receivables finance facility	<u>712,046</u>	<u>267,232</u>

The Group has a receivables finance facility with its bankers. The facility is available for a period of up to 3 years. Drawdown is capped at £10,000,000 for the Group. The drawdown against the outstanding debtors at 31 December 2013 is included within loans in creditors due within one year (note 8). Interest on the receivables finance facility is charged at 2.9% over LIBOR.

The receivables finance facility is secured by a fixed and floating charge over the assets of the company and fellow group undertakings.

CitySprint Healthcare Limited

Notes to the financial statements For the year ended 31 December 2013

11. Called up share capital

	2013 £	2012 £
Called up, allotted and fully paid:		
100 (2012 100) ordinary shares of £1 each	100	100

12. Statement of movements on reserves

	Profit and loss account £
At 1 January 2013	671,899
Retained profit for the year	529,495
At 31 December 2013	1,201,394

13. Reconciliation of movements in equity shareholders' funds

	2013 £	2012 £
Profit for the financial year	529,495	228,011
Net increase in equity shareholders' funds	529,495	228,011
Opening equity shareholders' funds	671,999	443,988
Closing equity shareholders' funds	1,201,494	671,999

14. Related party transactions

The company has taken advantage of the exemption available under FRS 8 not to disclose transactions with other members of the CitySprint (UK) Group Limited group where the parties to the transaction are wholly-owned members of the group

15. Contingent liabilities

The company has guaranteed the secured bank loans of the group. The maximum amount available to the group under this facility is £28,350,000 (2012 £26,850,000) and the amount outstanding at the balance sheet date was £22,272,016 (2012 £22,648,794). Of this amount outstanding, £712,046 (2012 £267,232) was outstanding within this company. The guarantee is secured by a fixed and floating charge over the assets of the company.

The company is part of a VAT group and therefore has a contingent liability for the VAT creditor at the end of the year in a fellow subsidiary of £2,510,912 (2012 £2,038,536).

CitySprint Healthcare Limited

Notes to the financial statements For the year ended 31 December 2013

16. Ultimate parent undertaking and controlling party

The immediate parent undertaking is CitySprint (UK) Limited which is the parent undertaking of the smallest group for which financial statements are prepared of which the company is a member

The directors consider the ultimate parent undertaking and controlling party to be CitySprint (UK) Group Limited, which is the parent undertaking of the largest group for which financial statements are prepared of which the company is a member

Copies of the financial statements for CitySprint (UK) Limited and CitySprint (UK) Group Limited can be obtained from Ground floor, RedCentral, 60 High Street, Redhill, Surrey, RH1 1SH