

# **Assura Finance Limited**

Directors' report and financial statements

For the year ended 31 March 2011

Registered number 6100986



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**Company Information**

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<b>Directors</b>	V M McVey E B Johnson
<b>Company secretary</b>	B A R Gerrard
<b>Company number</b>	6100986
<b>Registered office</b>	The School House 50 Brook Green London W6 7RR
<b>Auditor</b>	KPMG LLP Chartered Accountants 8 Princes Parade Liverpool L3 1QH

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## **Directors' report**

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The directors present their report and the financial statements for the year ended 31 March 2011

### **Principal activities and review of business**

The principal activity during the year was to provide working capital finance to the joint venture limited liability partnerships held by the company's parent undertaking, Assura Medical Limited

The Joint Ventures continue to grow and the directors expect further funding to be provided as required by Assura Finance Limited. A number of the more mature Joint Ventures have made significant repayments of outstanding loans during the year ended 31 March 2011 resulting in a cash balance at year end of £875,197. This was repaid to Assura Medical Limited in April. A further loan provision has also been recognised in the year of £286,270 relating to loans due to Assura Finance Limited from Joint Ventures that have been impaired in the year.

### **Results**

The loss for the year, after taxation, amounted to £199,050 (2010 - loss £700,139)

### **Directors**

The directors who served during the year were

V M McVey  
E B Johnson

### **Political and charitable contributions**

The Company made no political or charitable donations or incurred any political expenditure in the year (2010 - nil)

### **Dividends and transfers to reserves**

The directors do not recommend the payment of a dividend for 2011 (2010 - £nil). £199,050 (2010 - £700,139) representing the retained loss for the financial year has been transferred to reserves.

### **Going concern**

The financial statements have been prepared on the going concern basis, which the directors believe to be appropriate for the following reasons. The Company is dependent for its working capital on funds guaranteed by other group Companies. The Company's parent, Assura Medical Limited, has provided the Company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds and guarantees as are needed by the Company. In particular, Assura Medical Limited has confirmed that the intercompany debtor balance of £3,981,952 included within amounts due to group undertakings will not be called for payment within 12 months from the date of approval of these financial statements. This should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any Company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

## Directors' report

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### 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

The auditor, KPMG LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board on

14/12/11

and signed on its behalf



**E B Johnson**  
Director

**Statement of directors' responsibilities**  
*for the year ended 31 March 2011*

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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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 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 have general responsibility to safeguard the assets of the Company and prevent and detect fraud and other irregularities.

## **Independent auditor's report to the members of Assura Finance Limited**

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We have audited the financial statements of Assura Finance Limited for the year ended 31 March 2011, set out on pages 6 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 Statement of directors' responsibilities set out on page 3, 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 (APB'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 APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

### **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 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with UK 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.

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## Independent auditor's report to the members of Assura Finance Limited

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### 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



E W Baker (Senior Statutory Auditor)

for and on behalf of  
**KPMG LLP, Statutory Auditor**

Chartered Accountants

8 Princes Parade

Liverpool

L3 1QH

Date 14 December 2011

**Profit and loss account**  
*for the year ended 31 March 2011*

	<i>Note</i>	2011 £	2010 £
Administrative expenses		<u>(288,090)</u>	<u>(720,210)</u>
<b>Operating loss</b>	2	<b>(288,090)</b>	<b>(720,210)</b>
Interest receivable and similar income	3	<u>81,294</u>	<u>27,817</u>
<b>Loss on ordinary activities before taxation</b>		<b>(206,796)</b>	<b>(692,393)</b>
Tax on loss on ordinary activities	5	<u>7,746</u>	<u>(7,746)</u>
<b>Loss for the financial year</b>	9	<b><u>(199,050)</u></b>	<b><u>(700,139)</u></b>

All amounts relate to continuing operations

There were no recognised gains and losses for 2011 or 2010 other than those included in the Profit and loss account

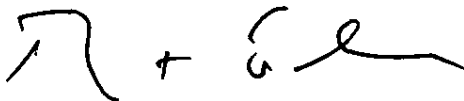
The notes on pages 8 to 12 form part of these financial statements

Registered number 6100986

**Balance sheet**  
*as at 31 March 2011*

	<i>Note</i>	£	2011 £	£	2010 £
<b>Current assets</b>					
Debtors	6	2,590,558		3,159,685	
Cash at bank		875,197		10,866	
		<u>3,465,755</u>		<u>3,170,551</u>	
<b>Creditors' amounts falling due within one year</b>	7	<u>(3,983,952)</u>		<u>(3,489,698)</u>	
<b>Net current liabilities</b>			<u>(518,197)</u>		<u>(319,147)</u>
<b>Total assets less current liabilities</b>			<u>(518,197)</u>		<u>(319,147)</u>
<b>Capital and reserves</b>					
Called up share capital	8		371,000		371,000
Profit and loss account	9		<u>(889,197)</u>		<u>(690,147)</u>
<b>Shareholders' deficit</b>	10		<u>(518,197)</u>		<u>(319,147)</u>

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



14/12/11

**E B Johnson**  
Director

The notes on pages 8 to 12 form part of these financial statements

## Notes to the financial statements

### 1. Accounting policies

#### 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

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published financial statements

#### 1.2 Going concern

The financial statements have been prepared on the going concern basis, which the directors believe to be appropriate for the following reasons. The Company is dependent for its working capital on funds guaranteed by other group Companies. The Company's parent, Assura Medical Limited, has provided the Company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds and guarantees as are needed by the Company. In particular, Assura Medical Limited has confirmed that the intercompany debtor balance of £3,981,952 included within amounts due to group undertakings will not be called for payment within 12 months from the date of approval of these financial statements. This should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any Company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

### 2. Operating loss

The operating loss is stated after charging

	2011 £	2010 £
Auditors' remuneration	2,000	2,000

Administrative expenses include a provision of £286,270 (2010 - £718,809) against balances due from group undertakings. This has no tax impact.

### 3. Interest receivable and similar income

	2011 £	2010 £
Loan interest	81,294	27,817

## Notes to the financial statements

### 4. Staff costs

The company has no employees other than the directors, who did not receive any remuneration (2010 - £nil)

### 5. Taxation

	2011 £	2010 £
<b>Analysis of tax (credit)/charge in the year</b>		
UK corporation tax charge on loss for the year	-	7,746
Adjustments in respect of prior periods	(7,746)	-
<b>Tax on loss on ordinary activities</b>	<u>(7,746)</u>	<u>7,746</u>

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2010 - higher than) the standard rate of corporation tax in the UK of 28% (2010 - 28%) The differences are explained below

	2011 £	2010 £
Loss on ordinary activities before tax	<u>(206,796)</u>	<u>(692,393)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2010 - 28%)	(57,903)	(193,870)
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	201,616
Adjustments to tax charge in respect of prior periods	(7,746)	-
Non-taxable income	(84)	-
Unrelieved tax losses carried forward	57,987	-
<b>Current tax (credit)/charge for the year</b>	<u>(7,746)</u>	<u>7,746</u>

## Notes to the financial statements

### 5. Taxation (continued)

#### Factors that may affect future tax charges

Effective from 1 April 2011 the corporation tax rate will be reduced from 28% to 26% and the effect on deferred tax has been included within these accounts. It has also been announced that the UK tax rate will drop a further 1% per annum over the next three years reaching 23% effective from 1 April 2014. However, the impact of these subsequent corporation tax rate reductions will only be reflected as the relevant legislation is substantively enacted. Details of the company's total recognised and unrecognised deferred tax at the year end (and prior year end) are shown in the table below.

A deferred tax asset is 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 future reversal of the underlying timing difference can be deducted. The directors do not consider that these recognition criteria have been met and accordingly a deferred tax asset has not been recognised.

The deferred tax figure above comprise

	2011 Cumulative recognised £	2011 Cumulative unrecognised £	2010 Cumulative recognised £	2010 Cumulative unrecognised £
UK tax losses	-	233,542	-	-

### 6 Debtors

	2011 £	2010 £
Amounts owed by group undertakings	2,590,558	3,159,685

The amounts owed by group undertakings relate to working capital balances due from the limited liability partnerships for which Assura Medical Limited is a member.

### 7 Creditors

#### Amounts falling due within one year

	2011 £	2010 £
Amounts owed to group undertakings	3,981,952	3,479,952
Corporation tax	-	7,746
Accruals and deferred income	2,000	2,000
	<u>3,983,952</u>	<u>3,489,698</u>

## Notes to the financial statements

### 8 Share capital

	2011 £	2010 £
<b>Allotted, called up and fully paid</b>		
371,000 Ordinary shares of £1 each	371,000	371,000

### 9 Reserves

	<i>Profit and loss account</i> £
At 1 April 2010	(690,147)
Loss for the year	(199,050)
At 31 March 2011	(889,197)

### 10 Reconciliation of movement in shareholders' deficit

	2011 £	2010 £
Opening shareholders' (deficit)/funds	(319,147)	10,992
Loss for the year	(199,050)	(700,139)
Shares issued during the year	-	370,000
Closing shareholders' deficit	(518,197)	(319,147)

### 11. Related party transactions

As at 31 March 2011 the Company's ultimate parent company was Virgin Group Holdings Limited, whose principal shareholders are certain trusts, none of which individually has a controlling interest in Virgin Group Holdings Limited. 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 8 'Related party disclosures'.

During the year the company provided working capital finance to the joint venture limited liability partnerships held by the company's parent undertaking, Assura Medical Limited. Interest income received in respect of these loans totalled £81,294 (2010 - £27,817) in the year. The balances owed to the company at the balance sheet date was £3,595,637 (2010 - £3,878,494). A total provision of £1,005,079 (2010 - £718,809) has been made against these balances, resulting in the net balances disclosed in note 6.

## Notes to the financial statements

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### 12 Ultimate parent undertaking and controlling party

The parent undertaking of Assura Finance Limited is Assura Medical Limited. As at 31 March 2011 the Company is a subsidiary undertaking of Virgin Group Holdings Limited, a company incorporated in the British Virgin Islands.

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