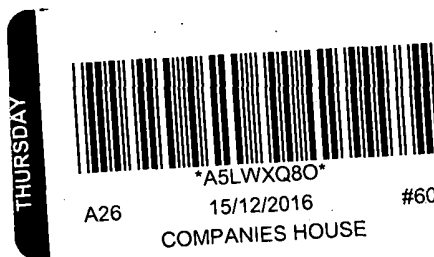


Virgin Care Tech Limited

Annual Report and Financial Statements

For the Year Ended 31 March 2016



Virgin Care Tech Limited

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Virgin Care Tech Limited

Company Information

Directors	V M McVey E B Johnson
Registered number	6100986
Registered office	Lynton House 7-12 Tavistock Square London WC1H 9LT
Independent auditor	KPMG LLP Chartered Accountants 8 Princes Parade Liverpool L3 1QH

Virgin Care Tech Limited

Directors' Report For the Year Ended 31 March 2016

The Directors present their report and the financial statements for the year ended 31 March 2016. During the year the company transitioned to FRS101 Reduced Disclosure Framework. Further detail of this is disclosed in notes 1 and 10.

The Company has met the requirements in the Companies Act 2006 to obtain the exemption provided, based on its size, from the presentation of a Strategic report.

Principal activity

During the year, on 19 August 2015, the Company changed its name from Virgin Care Accounts Limited to Virgin Care Tech Limited. Also on this date, the ownership was transferred from Virgin Care Limited to Virgin Healthcare Holdings Limited. The principal activity of the Company has previously been to provide working capital finance to the wholly owned and joint venture limited liability partnerships held by the Company's original parent undertaking, Virgin Care Limited. During prior years the balances with these limited liability partnerships owed to the Company were transferred to Virgin Care Limited, thus as a consequence, there has been no trading activity within the year.

Results and dividends

The loss for the year, after taxation, amounted to £1,982 (2015 - profit £408).

The directors do not recommend the payment of a dividend for 2016 (2015 - £nil). The retained loss for the financial year of £1,982 (2015 - profit £408) has been transferred to reserves.

Directors

The Directors who served during the year were:

V M McVey
E B Johnson

Political contributions

The Company made no political or charitable donations, nor incurred any political expenses in the year. (2015 - £nil).

Principal risks and uncertainties

Due to the limited activity of the Company, there are minimal risks to the business.

The major risk that could impact the business is liquidity. This risk is actively managed through support from the Company's parent undertaking.

Virgin Care Tech Limited

Directors' Report (continued) For the Year Ended 31 March 2016

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's parent, Virgin Healthcare Holdings 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. These funds are made available by way of a related company. Virgin Care Limited, considered a related party as it is a subsidiary of Virgin Healthcare Holdings Limited. In particular, Virgin Care Limited has confirmed that the intercompany creditor balance of £778,105 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.

Disclosure of information to auditor

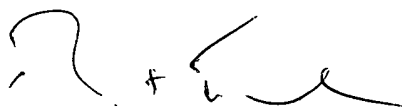
Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- 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 relevant audit information and to establish that the Company's auditor is aware of that information.

Auditors

The auditors, KPMG LLP, will be proposed for reappointment in accordance with section 487 of the Companies Act 2006.

This report was approved by the board on 12 December 2016 and signed on its behalf.



E B Johnson
Director

Virgin Care Tech Limited

Directors' Responsibilities Statement For the Year Ended 31 March 2016

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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.

Virgin Care Tech Limited

Independent Auditor's Report to the Shareholders of Virgin Care Tech Limited

We have audited the financial statements of Virgin Care Tech Limited for the year ended 31 March 2016, set out on pages 7 to 16. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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 4, 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 Financial Reporting Council'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.

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 2016 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 those accounts.

Virgin Care Tech Limited

Independent Auditor's Report to the Shareholders of Virgin Care Tech Limited (continued)

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 and the Directors' Report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.



Will Baker (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
8 Princes Parade
Liverpool
L3 1QH
Date:

14/12/2016

Virgin Care Tech Limited

Profit and Loss Account and Other Comprehensive Income
For the Year Ended 31 March 2016

	2016 £	2015 £
Administrative expenses	(1,982)	408
Operating (loss)/profit	(1,982)	408
(Loss)/profit for the year and total comprehensive income	(1,982)	408


The notes on pages 10 to 16 form part of these financial statements.

Virgin Care Tech Limited
Registered number: 6100986

Balance Sheet
As at 31 March 2016

	Note	£	2016 £	2015 £
Current assets		7,003		7,075
Creditors: amounts falling due within one year	6	(778,857)		(776,947)
Net current liabilities			(771,854)	(769,872)
Total assets less current liabilities			(771,854)	(769,872)
Net liabilities			(771,854)	(769,872)
Capital and reserves				
Called up share capital	7		371,000	371,000
Retained earnings			(1,142,854)	(1,140,872)
Shareholders' deficit			(771,854)	(769,872)

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

12 December 2016


E B Johnson
Director

The notes on pages 10 to 16 form part of these financial statements.

Virgin Care Tech Limited

**Statement of Changes in Equity
For the Year Ended 31 March 2016**

	Called up share capital	Retained earnings	Total equity
	£	£	£
At 1 April 2015	371,000	(1,140,872)	(769,872)
Comprehensive income for the year			
Loss for the year	-	(1,982)	(1,982)
Total comprehensive income for the year	-	(1,982)	(1,982)
At 31 March 2016	371,000	(1,142,854)	(771,854)

**Statement of Changes in Equity
For the Year Ended 31 March 2015**

	Called up share capital	Retained earning	Total equity
	£	£	£
At 1 April 2014	371,000	(1,141,280)	(770,280)
Comprehensive income for the year			
Profit for the year	-	408	408
Total comprehensive income for the year	-	408	408
At 31 March 2015	371,000	(1,140,872)	(769,872)

The notes on pages 10 to 16 form part of these financial statements.

**Notes to the Financial Statements
For the Year Ended 31 March 2016**

1. Accounting policies

1.1 Basis of preparation of financial statements

Virgin Care Tech Limited ("the Company") is a company incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101"). The amendments to FRS101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but make amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In the transition to FRS101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS101. As mentioned in note 10, the transition to FRS101 has not affected the reported financial position and financial performance of the Company.

The Company's ultimate controlling entity within the UK, Virgin Holdings Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Virgin Holdings Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

In these financial statements, the company has applied exemptions available under FRS101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets, intangible assets and investments;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

As the consolidated financial statements of Virgin Holdings Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Disclosures required by IFRS 7 Financial Instrument Disclosures.

The Company proposes to continue to adopt the reduced disclosure framework of FRS101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS101 balance sheet at 1 April 2014 for the purposes of the transition to FRS101.

**Notes to the Financial Statements
For the Year Ended 31 March 2016**

1. Accounting policies (continued)

1.2 Measurement convention

The financial statements are prepared on the historical cost basis.

1.3 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's parent, Virgin Healthcare Holdings 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. These funds are made available by way of a related company. Virgin Care Limited, considered a related party as it is a subsidiary of Virgin Healthcare Holdings Limited. In particular, Virgin Care Limited has confirmed that the intercompany creditor balance of £778,105 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.

1.4 Non-derivative financial instruments

Non-derivative financial instruments comprise investment in trade and other debtors, cash and cash equivalents, and trade and other creditors.

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

1.5 Impairment of financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

**Notes to the Financial Statements
For the Year Ended 31 March 2016**

1. Accounting policies (continued)

1.6 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication for impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

1.7 Current and deferred taxation

Tax is recognised in the profit and loss account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all temporary differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available again which the temporary difference can be utilised.

2. Judgments in applying accounting policies and key sources of estimation uncertainty

The Directors do not believe there are any key sources of estimation uncertainty at the balance sheet date that may cause material adjustments to the carrying amounts of assets or liabilities within the next financial year.

The Directors do not believe there are any critical accounting judgements in applying the Company's accounting policies.

Virgin Care Tech Limited

Notes to the Financial Statements
For the Year Ended 31 March 2016

3. **Auditors' remuneration**

The company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the Company:

	2016 £	2015 £
Fees for the audit of the Company	750	1,000
	<u>750</u>	<u>1,000</u>

The company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent company.

4. **Employees**

The Company has no employees other than the Directors, who did not receive any remuneration (2015 - £NIL).

5. **Taxation**

The current tax charge for the year ended 31 March 2016 is £nil (2015: £nil). The deferred tax for the year ended 31 March 2016 is £nil (2015: £nil).

	2016 £	2015 £
Total current tax	<u>-</u>	<u>-</u>
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>-</u>	<u>-</u>

Virgin Care Tech Limited

Notes to the Financial Statements
For the Year Ended 31 March 2016

5. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 21%). The differences are explained below:

	2016 £	2015 £
(Loss)/Profit on ordinary activities before tax	(1,982)	408
(Loss)/Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 21%)	(396)	86
Effects of:		
Adjust closing deferred tax to average rate	2,265	-
Deferred tax not recognised	(1,869)	(86)
Total tax charge for the year	-	-

Virgin Care Tech Limited

Notes to the Financial Statements
For the Year Ended 31 March 2016

5. Taxation (continued)

Factors that may affect future tax charges

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. The deferred tax asset at 31 March 2016 has been calculated based on these rates. An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016. This will reduce the group's future current tax charge accordingly.

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. No asset has been recognised for the potential deferred tax asset of £20,389 (2015: £22,258) arising from tax losses and other timing difference of £113,273 (2015: £111,291) as the losses are not expected to be utilised in the foreseeable future.

6. Creditors: Amounts falling due within one year

	2016 £	2015 £
Amounts owed to group undertakings	778,105	775,945
Accruals and deferred income	752	1,002
	<u>778,857</u>	<u>776,947</u>

7. Share capital

	2016 £	2015 £
Allotted, called up and fully paid		
371,000 Ordinary shares of £1 each	<u>371,000</u>	<u>371,000</u>

Virgin Care Tech Limited

Notes to the Financial Statements For the Year Ended 31 March 2016

8. Related party transactions

The Company's ultimate parent undertaking is 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 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.

As a 100% owned subsidiary of Virgin Healthcare Holdings Limited, the Company has taken advantage of the exemptions which enables it to exclude disclosure of transactions with Virgin Healthcare Holdings Limited and its wholly owned subsidiaries.

9. Controlling party

The parent undertaking of Virgin Care Tech Limited is Virgin Healthcare Holdings Limited. 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 Holdings Limited and Virgin UK Holdings Limited respectively, companies both registered in England and Wales. Copies of the group accounts of Virgin Holdings Limited and Virgin UK Holdings Limited can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

10. First time adoption of FRS 101

The policies applied under the entity's previous accounting framework are not materially different to FRS 101 and have not impacted on equity or profit or loss.