Virgin Care Accounts Limited

Annual report and financial statements

For the year ended 31 March 2014

Registered number 6100986

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

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Directors' report

The directors present their report and the financial statements for the year ended 31 March 2014.

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 activities and review of business

The principal activity during the year was to provide working capital finance to the wholly owned and joint venture limited liability partnerships held by the Company's parent undertaking, Virgin Care Limited.

The limited liability partnerships continue to grow and all further future funding is now provided directly by their parent undertaking Virgin Care Limited rather than funding being provided by Virgin Care Limited through Virgin Care Accounts Limited.

Consequently, during the financial year the balances which the limited liability partnerships owed to Virgin Care Accounts Limited were transferred to Virgin Care Limited.

Result

The profit for the year, after taxation, amounted to £406,418 (2013 - £714,992).

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, nor incurred any political expenditure in the year (2013 - £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.

Directors' report

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 Care 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, Virgin Care Limited has confirmed that the intercompany Creditor balance of £770,365 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.

Dividends and transfers to reserves

The directors do not recommend the payment of a dividend for 2014 (2013 - £nil). The retained profit for the financial year of £406,419 (2013 - £714,992) has been transferred to reserves.

Provision of information to auditor

The directors who held office at the date of approval of this directors' report confirm that:

- so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

This report was approved by the board on 10th October 2014 and signed on its behalf.

E B Johnson
Director

Directors' responsibilities statement
for the year ended 31 March 2014

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; 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 for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Virgin Care Accounts Limited

We have audited the financial statements of Virgin Care Accounts Limited for the year ended 31 March 2014, set out on pages 6 to 13. 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 Directors' responsibilities statement 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 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 web-site 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 2014 and of its profit 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.

Independent auditor's report to the members of Virgin Care Accounts Limited

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 take advantage of the small companies 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: 17/10/2014

Profit and loss account

for the year ended 31 March 2014

	Note	2014 £	2013 £
Administrative expenses (includes exceptional items of £408,981 credit (2013 - £682,087 credit))	2	**406,418**	679,512
Operating profit	2	**406,418**	679,512
Interest receivable and similar income	4	**-**	35,480
Profit on ordinary activities before taxation		**406,418**	714,992
Tax on profit on ordinary activities	5	**-**	-
Profit for the financial year		**406,418**	714,992

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account.

The notes on pages 8 to 13 form part of these financial statements.

Registered number: 6100986

Balance sheet
as at 31 March 2014

			2014		2013
	Note	£	£	£	£
Current assets					
Debtors	6	-		460,000	
Cash at bank		**7,087**		7,149	
		7,087		467,149	
Creditors: amounts falling due within one year	7	**(777,367)**		(1,643,847)	
Net current liabilities			**(770,280)**		(1,176,698)
Net liabilities			**(770,280)**		(1,176,698)
Capital and reserves					
Called up share capital	8		**371,000**		371,000
Profit and loss account	9		**(1,141,280)**		(1,547,698)
Shareholders' deficit	10		**(770,280)**		(1,176,698)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 10th October 2014.

E B Johnson
Director

The notes on pages 8 to 13 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.

As the Company is a wholly owned subsidiary of Virgin Care Limited, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed the transactions or balances with wholly owned subsidiaries which form part of the group.

1.2 Taxation

The charge for taxation is based on the profit for the year taking into account taxation deferred because of timing differences between the treatment of certain items for tax and accounting purposes.

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 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, Virgin Care 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, Virgin Care Limited has confirmed that the intercompany creditor balance of £770,365 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. 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.

Notes to the financial statements

1. Accounting policies (continued)

1.4 Impairment

The carrying amounts of the Company's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account.

If, after an impairment loss has been recognised, the recoverable amount of an asset increases because of a change in economic conditions, the resulting reversal of the impairment loss is recognised in the current period to the extent that it increases the carrying value of the asset up to the amount that it would have been had the original impairment not occurred.

1.5 Cash Flow Statement

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 consolidated financial statements.

2. Operating profit

The operating profit is stated after charging:

	2014	2013
	£	£
Auditor's remuneration - audit of the Company's financial statements	**2,500**	4,500

Administrative expenses include a provision release of £408,981 (2013 - provision of £164,852 and release £846,939) against balances due from group undertakings. This has no tax impact.

Amounts receivable by the Company's auditor and its associates in respect of the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the Company is small as defined by S381 of the Companies Act 2006.

3. Staff costs

The Company has no employees other than the directors, who did not receive any emoluments in respect of services provided to the Company (2013 - £nil).

4. Interest receivable and similar income

	2014	2013
	£	£
Loan interest	**-**	35,480

Notes to the financial statements

5. Taxation

The current tax charge for the year ended 31 March 2014 is £nil (2013 - £nil). The deferred tax for the year ended 31 March 2014 is £nil (2013 - £nil).

Factors affecting tax charge for the year

The current tax charge for the year is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 23% (2013 - 24%). The differences are explained below:

	2014	2013
	£	£
Profit on ordinary activities before tax	**406,418**	714,992
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23% (2013 - 24%)	**93,476**	171,598
Effects of:		
Expenses not deductible for tax purposes	**(75,461)**	(42,377)
UK tax losses not utilised or not recognised	**(18,015)**	(129,221)
Current tax charge for the year	**-**	-

Factors that may affect future tax charges

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively.

Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the Company's future current tax charge accordingly and has reduced the unrecognised deferred tax asset at 31 March 2014.

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. In accordance with FRS 19 no asset has been recognised for the potential deferred tax asset of £24,340 (2013 - £43,705) arising from tax losses of £121,699 (2013 - £190,025) as the losses are not expected to be utilised in the foreseeable future.

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.

The deferred tax figure comprises:

	2014 Cumulative recognised	**2014 Cumulative unrecognised**	2013 Cumulative recognised	2013 Cumulative unrecognised
	£	**£**	£	£
UK tax losses	**-**	**(24,340)**	-	(43,705)

Notes to the financial statements

6. Debtors

	2014	2013
	£	£
Amounts owed by group undertakings	-	460,000

The prior year amounts owed by group undertakings relate to the working capital balances from VH Doctors Limited and the limited liability partnerships which were transferred to the Company's parent, Virgin Care Limited during the year.

7. Creditors: Amounts falling due within one year

	2014	2013
	£	£
Amounts owed to parent undertakings	770,365	1,639,347
Accruals and deferred income	7,002	4,500
	777,367	1,643,847

8. Share capital

	2014	2013
	£	£
Allotted, called up and fully paid		
371,000 Ordinary shares of £1 each	371,000	371,000

9. Reserves

	Profit and loss account
	£
At 1 April 2013	(1,547,698)
Profit for the year	406,418
At 31 March 2014	(1,141,280)

Notes to the financial statements

10. Reconciliation of movement in shareholders' deficit

	2014	2013
	£	£
Opening shareholders' deficit	**(1,176,698)**	(1,891,690)
Profit for the year	**406,418**	714,992
Closing shareholders' deficit	**(770,280)**	(1,176,698)

11. Related party transactions

The Company's ultimate parent company 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 under Financial Reporting Standard No. 8.

During the prior year the Company provided working capital finance to the wholly owned limited liability partnerships held by the Company's parent undertaking, Virgin Care Limited. Interest income received in respect of these loans totalled £nil (2013 - £35,480) in the year. The balances owed to the Company at the balance sheet date were £nil (2013 - £1,920,596). In addition the balance owed by VH Doctors Limited at the balance sheet date is £nil (2013 - £280,000). A total provision of £nil (2013 - £1,740,596) has been made against these balances.

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

VH Doctors Limited is considered a related party as it is a subsidiary of the Company's parent undertaking, Virgin Care Limited, by virtue of Virgin Care Limited having dominant influence over VH Doctors Limited.

During the year the Company entered into transactions, in the ordinary course of business, with the following related parties.

	31 March 2014 *Interest Income From*	**31 March 2014** *Amounts owed by*	**31 March 2013** *Amounts owed by*
	£	**£**	**£**
VH Doctors Limited	**-**	**-**	**280,000**

Notes to the financial statements

12. Ultimate parent undertaking and controlling party

The parent undertaking of Virgin Care Accounts Limited is Virgin Care 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 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.