

Registered number: 07178590

North Lancashire Doctors Limited

Annual Report and Financial Statements

For the Year Ended 31 March 2016



North Lancashire Doctors Limited

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North Lancashire Doctors Limited

Company Information

Directors	V M McVey I D Wiles A M Birchall
Registered number	07178590
Registered office	Lynton House 7-12 Tavistock Square London WC1H 9LT
Independent auditor	KPMG LLP Chartered Accountants 8 Princes Parade Liverpool L3 1QH

North Lancashire Doctors 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 13.

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

The principal activity of the business continues to be the provision of NHS primary care services.

Results and dividends

The loss for the year, after taxation, amounted to £7,254 (2015 - £15,181).

The directors do not recommend the payment of a dividend for 2016 (2015 - £nil). The retained loss for the financial year of £7,254 (2015 - £15,181) has been transferred to reserves.

Directors

The directors who served during the year were:

V M McVey
I D Wiles
A M Birchall

Political contributions

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

Principal risks and uncertainties

The Company operates a Risk Management Framework in order to manage the risks and uncertainties of the business. There are not considered to be any significant risks requiring active management.

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

North Lancashire Doctors 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 reason. The Company has access to sufficient cash to continue to support the business over at least the next 12 months, based on forecasts and projections, taking account of reasonably possible changes in trading performance. As the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, they continue to adopt the going concern basis in preparing the annual financial statements. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

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 8.12.16 and signed on its behalf.



V M McVey
Director

North Lancashire Doctors 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; 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.

North Lancashire Doctors Limited

Independent Auditors' Report to the Shareholders of North Lancashire Doctors Limited

We have audited the financial statements of North Lancashire Doctors Limited for the year ended 31 March 2016, set out on pages 7 to 20. 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 Auditors' 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 Auditors

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.

North Lancashire Doctors Limited

Independent Auditors' Report to the Shareholders of North Lancashire Doctors 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 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: 14/12/16

North Lancashire Doctors Limited

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

	Note	2016 £	2015 Restated £
Turnover	3	1,359,647	1,311,607
Cost of sales		(1,335,256)	(1,280,649)
Gross profit		<u>24,391</u>	<u>30,958</u>
Administrative expenses		(31,645)	(60,675)
Operating loss		<u>(7,254)</u>	<u>(29,717)</u>
Tax on loss	5	-	14,536
Loss for the year and total comprehensive income		<u><u>(7,254)</u></u>	<u><u>(15,181)</u></u>

The notes on pages 10 to 20 form part of these financial statements.

North Lancashire Doctors Limited
Registered number: 07178590

Balance Sheet
As at 31 March 2016

	Note	£	2016 £	£	2015 Restated £
Current assets					
Debtors: amounts falling due within one year	6	223,483		333,623	
Cash at bank and in hand		45,159		6,163	
		<u>268,642</u>		<u>339,786</u>	
Creditors: amounts falling due within one year	7	(250,811)		(314,701)	
Net current assets			<u>17,831</u>		<u>25,085</u>
Total assets less current liabilities			<u>17,831</u>		<u>25,085</u>
Net assets			<u>17,831</u>		<u>25,085</u>
Capital and reserves					
Called up share capital	8		2		2
Retained earnings			17,829		25,083
Shareholders' funds			<u>17,831</u>		<u>25,085</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
8.12.16

V M McVey

V M McVey
Director

The notes on pages 10 to 20 form part of these financial statements.

North Lancashire Doctors 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 (as previously stated)	2	25,948	25,950
First time adoption of FRS 101 adjustment	-	(865)	(865)
At 1 April 2015 (as restated)	2	25,083	25,085
Comprehensive income for the year			
Loss for the year	-	(7,254)	(7,254)
Total comprehensive income for the year	-	(7,254)	(7,254)
At 31 March 2016	2	17,829	17,831

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

	Called up share capital	Retained earnings	Total equity
	£	£	£
At 1 April 2014 (as previously stated)	2	41,990	41,992
First time adoption of FRS 101 adjustment	-	(1,726)	(1,726)
At 1 April 2014 (as restated)	2	40,264	40,266
Comprehensive income for the year			
Loss for the year	-	(15,181)	(15,181)
Total comprehensive income for the year	-	(15,181)	(15,181)
At 31 March 2015	2	25,083	25,085

The notes on pages 10 to 20 form part of these financial statements.

North Lancashire Doctors Limited

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

1. Accounting policies

1.1 Basis of preparation of financial statements

North Lancashire Doctors Limited ("the Company") is a company incorporated and domiciled in the UK.

These financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006. The amendments to FRS101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

In the transition to FRS101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS101. An explanation of how the transition to FRS101 has affected the reported financial position and financial performance of the Company is given in note 13.

The Company's ultimate parent 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.

1.2 Measurement convention

The financial statements are prepared on the historical cost basis. Non-current assets are stated at the lower of previous carrying amounts and fair value.

North Lancashire Doctors Limited

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

1. Accounting policies (continued)

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 reason. The Company has access to sufficient cash to continue to support the business over at least the next 12 months, based on forecasts and projections, taking account of reasonably possible changes in trading performance. As the directors have a reasonable expectations that the Company has adequate resources to continue in operational existence for the foreseeable future, they continue to adopt the going concern basis in preparing the annual financial statements. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

1.4 Pensions

Staff have access to the NHS Pension Scheme which is a multi-employer defined benefit scheme which is contracted out of the state second pension. Because of the mutual nature of this scheme, the scheme's assets are not hypothecated to individual institutions and scheme-wide contribution rates are set. The Company is therefore exposed to actuarial risks associated with other institution's employees and is unable to identify its share of the underlying assets and liabilities on a consistent and reasonable basis. Therefore the scheme is accounted for as if it were a defined contribution scheme. As a result the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

1.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

1.6 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 debtor 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.

North Lancashire Doctors Limited

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

1. Accounting policies (continued)

1.7 Impairment of financial assets (including trade and other debtors)

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.

1.8 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of 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.

1.9 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance Sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance Sheet date.

North Lancashire Doctors Limited

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

1. Accounting policies (continued)

1.10 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.

2. Judgements 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.

3. Turnover

An analysis of turnover by class of business is as follows:

	2016 £	2015 £
Provision of Medical Services	1,359,647	1,311,607
	<u>1,359,647</u>	<u>1,311,607</u>

All turnover arose within the United Kingdom.

North Lancashire Doctors Limited

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

4. 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	3,180	2,750
	<u>3,180</u>	<u>2,750</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.

5. Taxation

	2016 £	2015 £
Current tax on profits for the year	-	(14,536)
Total current tax	<u>-</u>	<u>(14,536)</u>
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit/(loss) on ordinary activities	<u>-</u>	<u>(14,536)</u>

North Lancashire Doctors 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 Restated £
Loss on ordinary activities before tax	(7,254)	(29,717)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 21%)	(1,451)	(6,241)
Effects of:		
Expenses not deductible for tax purposes	298	220
Deferred tax not recognised	(2,989)	6,201
Adjust closing deferred tax to average rate	4,142	-
Adjustments in respect of previous periods	-	(14,716)
Total tax charge / (credit) for the year	-	(14,536)

North Lancashire Doctors 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. In accordance with FRS 101 no asset has been recognised for the potential deferred tax asset of £37,279 (2015 - £40,268) arising from short term timing differences and tax losses of £207,103 (2015 - £201,341) as these are not expected to reverse in the foreseeable future.

6. Debtors

	2016 £	2015 £
Trade debtors	120,551	216
Amounts owed by group undertakings	88,398	311,787
Other debtors	14,534	15,457
Prepayments and accrued income	-	6,163
	<u>223,483</u>	<u>333,623</u>

7. Creditors: Amounts falling due within one year

	2016 £	2015 Restated £
Trade creditors	32,061	27,082
Amounts owed to group undertakings	37,467	-
Taxation and social security	11,048	11,075
Other creditors	11,312	17,205
Accruals and deferred income	158,923	259,339
	<u>250,811</u>	<u>314,701</u>

North Lancashire Doctors Limited

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

8. Share capital

	2016 £	2015 £
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

9. Pension commitments

The company contributes to the NHS pension scheme which is a multi-employer defined benefit pension scheme. Because it is not possible to separately identify the company's share of the underlying assets and liabilities of the scheme, the scheme is accounted for as if it were a defined contribution scheme. Contributions are charged to the profit and loss account as they become payable. The pension cost charge represents contributions payable by the Company to the fund and this amounted to £80,866 (2015 - £37,182). Contributions totalling £11,312 (2015 - £17,206) were payable to the fund at the balance sheet date and are included in other creditors.

10. Commitments under operating leases

At 31 March 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	-	6,907
Total	<u>-</u>	<u>6,907</u>

North Lancashire Doctors Limited

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

11. Related party transactions

The Company shares a common director with Virgin Care Limited. Virgin Care Limited is considered a related party by virtue of it having dominant influence over North Lancashire Doctors Limited, such that North Lancashire Doctors Limited is considered to be a subsidiary of Virgin Care Limited. Virgin Care Services Limited is also a related party of the Company as it is a wholly owned subsidiary of Virgin Care Limited. The LLP's which are subsidiaries of Virgin Care Limited are also related parties.

The balances due from each related party are summarised in the table below, these being included within amounts owed by group undertakings.

	Sales during year ended 31 March 2016 £	Balance outstanding at 31 March 2016 £	Sales during year ended 31 March 2015 £	Balance outstanding at 31 March 2015 £
Virgin Care Limited	-	45,000	-	310,000
Virgin Care Services Limited	-	900	900	900
Virgin Care Vertis LLP	-	-	-	887
	-	45,900	900	311,787

12. Controlling party

The Company is owned equally by two of the directors V M McVey and I D Wiles and is not owned by any of the Virgin Care Group Companies.

V M McVey is a director of Virgin Care Limited and two of the directors are employed by Virgin Care Limited in senior management positions. Due to this, Virgin Care Limited is considered to exert dominant influence over North Lancashire Doctors 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.

North Lancashire Doctors Limited

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

13. First time adoption of FRS 101

	Note	As previously stated 1 April 2014 £	Effect of transition 1 April 2014 £	FRS 101 (as restated) 1 April 2014 £	As previously stated 31 March 2015 £	Effect of transition 31 March 2015 £	FRS 101 (as restated) 31 March 2015 £
Current assets		371,768	-	371,768	339,786	-	339,786
Creditors: amounts falling due within one year	1	(329,776)	(1,726)	(331,502)	(313,836)	(865)	(314,701)
Net current assets		<u>41,992</u>	<u>(1,726)</u>	<u>40,266</u>	<u>25,950</u>	<u>(865)</u>	<u>25,085</u>
Total assets less current liabilities	1	<u>41,992</u>	<u>(1,726)</u>	<u>40,266</u>	<u>25,950</u>	<u>(865)</u>	<u>25,085</u>
Net assets	1	<u>41,992</u>	<u>(1,726)</u>	<u>40,266</u>	<u>25,950</u>	<u>(865)</u>	<u>25,085</u>
Shareholders' funds	1	<u>41,992</u>	<u>(1,726)</u>	<u>40,266</u>	<u>25,950</u>	<u>(865)</u>	<u>25,085</u>

North Lancashire Doctors Limited

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

13. First time adoption of FRS 101 (continued)

	Note	As previously stated 31 March 2015 £	Effect of transition 31 March 2015 £	FRS 101 (as restated) 31 March 2015 £
Turnover		1,311,607	-	1,311,607
Cost of sales	1	(1,281,510)	861	(1,280,649)
Gross profit		30,097	861	30,958
Administrative expenses		(60,675)	-	(60,675)
Operating loss	1	(30,578)	861	(29,717)
Taxation		14,536	-	14,536
Loss for the year and total comprehensive income	1	(16,042)	861	(15,181)

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS101. The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2016, the comparative information presented in these financial statements for the year ended 31 March 2015 and in the preparation of an opening FRS101 balance sheet at 1 April 2014 (the Company's date of transition). In preparing its FRS101 balance sheet, the Company has adjusted amounts reported previously in financial statements in accordance with its previous basis of accounting, UK GAAP. An explanation of how the transition from UK GAAP to FRS101 has affected the Company's financial position and performance is set out below with reference to the tables above: :

- 1 A short term employee benefit in respect of accrued holiday has been recognised resulting in an increase in creditor balances with a credit also released to the profit and loss account, and the debit balance charged to reserves.