

North Lancashire Doctors Limited

Directors' report and financial statements
for the year ended 31 March 2015



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

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Directors' report

The directors present their report and the financial statements for the year ended 31 March 2015.

Principal activities

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 £16,042 (*2014 - profit £2,783*). The directors do not recommend the payment of a dividend for 2015 (*2014 - £nil*). The retained loss for the financial year of £16,042 (*2014 - profit £2,783*) has been transferred to reserves.

Director

The directors who served during the year were:

V M McVey
I D Wiles
A M Birchall

Provision of information to auditor

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

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each 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.

Directors' report

Auditor

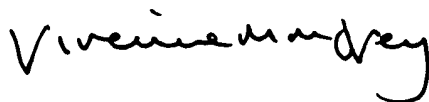
Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

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.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by the Companies Act 2006.

This report was approved by the board on 16/12/15 and signed on its behalf.



V M McVey
Director

Directors' responsibilities statement
for the year ended 31 March 2015

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 the Financial Reporting Standard for Smaller Entities (Effective April 2008) and applicable law (UK Generally Accepted Accounting Practice applicable to Smaller Entities). 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 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;
- 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.

Independent auditor's report to the members of North Lancashire Doctors Limited

We have audited the financial statements of North Lancashire Doctors Limited for the year ended 31 March 2015, set out on pages 6 to 13. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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 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 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with Generally Accepted Accounting Practice applicable to Smaller Entities; 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 North Lancashire Doctors 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 prepare the financial statements in accordance with the small companies regime take advantage of the small companies' exemption in preparing the directors' report and 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: 18/12/2015

Profit and loss account
for the year ended 31 March 2015

	<i>Note</i>	2015 £	2014 £
Turnover		1,311,607	1,355,324
Cost of sales		(1,281,510)	(1,292,803)
Gross profit		30,097	62,521
Administrative expenses		(60,675)	(57,997)
Operating (loss)/profit	2	(30,578)	4,524
Interest payable and similar charges		-	(4)
(Loss)/profit on ordinary activities before taxation		(30,578)	4,520
Tax on (loss)/profit on ordinary activities	3	14,536	(1,737)
(Loss)/profit for the financial year	7	(16,042)	2,783

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 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: 07178590

Balance sheet
as at 31 March 2015

	<i>Note</i>	£	2015 £	£	2014 £
Current assets					
Debtors	4	333,623		354,765	
Cash at bank		6,163		17,003	
		<u>339,786</u>		<u>371,768</u>	
Creditors: amounts falling due within one year	5	<u>(313,836)</u>		<u>(329,776)</u>	
Net current assets			25,950		41,992
Total assets less current liabilities			25,950		41,992
Capital and reserves					
Called up share capital	6		2		2
Profit and loss account	7		<u>25,948</u>		<u>41,990</u>
Shareholders' funds			25,950		41,992

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

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

16 December 2015

V. M. McVey

V M McVey
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 the Financial Reporting Standard for Smaller Entities (effective April 2008).

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 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.

1.3 Cash flow

The financial statements do not include a Cash flow statement because the company, as a small company, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.4 Turnover

Turnover comprises revenue recognised by the Company in respect of services supplied during the year, exclusive of Value Added Tax. Turnover is recognised as the services are provided.

1.5 Taxation

The charge for taxation is based on the profit or loss 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.

1.6 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. The Company is unable to identify its share of the underlying assets and liabilities on a consistent and reasonable basis. Therefore as required by FRS 17, 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.

Notes to the financial statements

2. (Loss)/profit for the financial year before members' remuneration and profit share

This is stated after charging:

	2015 £	2014 £
Amortisation of intangible fixed assets	-	857
Auditor's remuneration	2,750	2,500
Operating lease rentals: - motor vehicles (see note 9)	6,907	7,244
	<u>6,907</u>	<u>7,244</u>

During the year, no director received any emoluments (2014 - £nil).

3. Taxation

	2015 £	2014 £
UK corporation tax (credit)/charge on (loss)/profit for the year	<u>(14,536)</u>	<u>1,737</u>

Notes to the financial statements

4. Debtors

	2015	2014
	£	£
Trade debtors	216	60,477
Amounts owed by group undertakings	311,787	273,914
Prepayments and accrued income	6,163	-
Other debtors	15,457	20,374
	<u>333,623</u>	<u>354,765</u>

5. Creditors: Amounts falling due within one year

	2015	2014
	£	£
Trade creditors	27,082	8,321
Amounts owed to group undertakings	-	4,351
Corporation tax	-	420
Other taxation and social security	11,075	10,874
Accruals and deferred income	258,474	277,898
Other creditors	17,205	27,912
	<u>313,836</u>	<u>329,776</u>

6. Share capital

	2015	2014
	£	£
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

Notes to the financial statements

7. Reserves

	<i>Profit and loss account</i>
	£
At 1 April 2014	41,990
Loss for the year	(16,042)
At 31 March 2015	<u>25,948</u>

8. 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 £37,182 (2014 - £69,932). Contributions totalling £17,206 (2014 - £27,912) were payable to the fund at the balance sheet date and are included in other creditors.

9. Operating lease commitments

At 31 March 2015 the company had annual commitments under non-cancellable operating leases as follows:

	2015	2014
	£	£
Expiry date:		
Within 1 year	6,907	-
Within 1 and 2 years	<u>-</u>	<u>7,244</u>

Notes to the financial statements

10. 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 or joint ventures of Virgin Care Limited are also related parties.

Sales to each related party are summarised in the table below including the balance outstanding at the balance sheet which are included within amounts owed by group undertakings.

The table also includes purchases made from each related party including the balance outstanding at the balance sheet date which are included within amounts owed to group undertakings.

	Sales to in year ended 31 March 2015	Balance outstanding at 31 March 2015	Purchases from in year ended 31 March 2015	Balance outstanding at 31 March 2015
	£	£	£	£
Virgin Care Vertis LLP	-	887	-	-
Virgin Care North Lancs LLP	-	-	(3,642)	-
Virgin Care Limited	-	310,000	(111,950)	-
Virgin Care Blackpool LLP	-	-	(655)	-
VH Doctors Limited	-	-	(1,105)	-
Virgin Care Services Limited	900	900	-	-

	Sales to in year ended 31 March 2014	Balance outstanding at 31 March 2014	Purchases from in year ended 31 March 2014	Balance outstanding at 31 March 2014
	£	£	£	£
Virgin Care Vertis LLP	1,092	887	-	-
Virgin Care Coventry LLP	2,281	-	(6,500)	-
Virgin Care North Lancs LLP	382	3,027	-	-
Virgin Care Limited	-	270,000	(87,644)	(4,351)
Virgin Care Blackpool LLP	-	-	(17)	-
VH Doctors Limited	-	-	(2,880)	-

Notes to the financial statements

11. Ultimate parent undertaking and 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 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.