

VH Community Services Limited

Directors' report and financial statements

For the year ended 31 March 2013

Registered number 7568015

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Company Information

Directors	V M McVey S T A Master A J Moore
Registered number	7568015
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 2013

Principal activity

The principal activity of the business is the provision of clinical services and the Company started trading on 1 April 2012 when the Surrey Dentistry contract went live. The Company was dormant during the year ended 31 March 2012.

Results and dividends

The loss for the year, after taxation, amounted to £4,906 (2012 - £nil). The directors do not recommend the payment of a dividend for 2013 (2012 - £nil). The retained loss for the financial year of £4,906 (2012 - £nil) has been transferred to reserves.

Directors

The directors who served during the year were

V M McVey
S T A Master
A J Moore

Political and charitable contributions

The Company made no political or charitable donations nor incurred any political expenditure in the year (2012 - £nil).

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 Services 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. This should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

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

Directors' report

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 17.12.13

and signed on its behalf



V M McVey
Director

Directors' responsibilities statement
for the year ended 31 March 2013

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 VH Community Services Limited

We have audited the financial statements of VH Community Services Limited for the year ended 31 March 2013, 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 2013 and of its loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Other matter - prior period financial statements

In forming our opinion on the financial statements, which is not modified, we note that the prior period financial statements were not audited. Consequently, International Standards on Auditing (UK and Ireland) require the auditor to state that the corresponding figures contained within these financial statements are unaudited.

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 VH Community Services 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



Will Baker (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

8 Princes Parade

Liverpool

L3 1QH

Date

18/12/13

Profit and loss account
for the year ended 31 March 2013

	<i>Note</i>	2013 £	Unaudited 2012 £
Turnover	1,2	1,788,443	-
Cost of sales		(1,788,443)	-
Gross profit		-	-
Administrative expenses		(4,906)	-
Loss on ordinary activities before taxation	3	(4,906)	-
Tax on loss on ordinary activities	5	-	-
Loss for the financial year		(4,906)	-

All amounts relate to continuing operations

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and loss account. The Company was dormant during the year ended 31 March 2012.

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

VH Community Services Limited
Annual report and financial statements
For the year ended 31 March 2013

Registered number: 7568015

Balance sheet
as at 31 March 2013

	Note	£	2013 £	£	Unaudited 2012 £
Current assets					
Debtors	6	582,393		100	
Cash at bank		14,397		-	
		<u>596,790</u>		<u>100</u>	
Creditors: amounts falling due within one year	7	(601,596)		-	
Net current (liabilities)/assets			<u>(4,806)</u>		100
Net (liabilities)/assets			<u>(4,806)</u>		<u>100</u>
Capital and reserves					
Called up share capital	8		100		100
Profit and loss account	9		(4,906)		-
Shareholders' (deficit)/funds	10		<u>(4,806)</u>		<u>100</u>

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

V M McVey

V M McVey
Director

17.12.13

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 Services 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 Cash flow

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

1.3 Turnover

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

1.4 Taxation

The charge for taxation is based on the 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

1.5 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 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

1. Accounting policies (continued)

1.6 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 Services 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. This should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

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

2. Turnover

All turnover arose within the United Kingdom, from undertaking the Company's principal activity, which is the provision of clinical services.

3. Loss on ordinary activities before taxation

The loss on ordinary activities before taxation is stated after charging

	Year ended 31 March 2013 £	Unaudited Year ended 31 March 2012 £
Auditor's remuneration - audit of the Company's financial statements	4,500	-

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.

Notes to the financial statements

4 Staff costs

Staff costs, including directors' remuneration were as follows

	Year ended 31 March 2013 £	Unaudited Year ended 31 March 2012 £
Wages and salaries	1,472,299	-
Social security costs	136,313	-
Other pension costs	179,831	-
	<u>1,788,443</u>	<u>-</u>

The average monthly number of employees, including the directors, during the year was as follows

	Year ended 31 March 2013 No.	Unaudited Year ended 31 March 2012 No.
Direct Staff	<u>37</u>	<u>0</u>

During the year, no director received any emoluments in respect of services provided to the Company (2012 - £nil)



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Notes to the financial statements

5. Taxation

The current tax charge for the year ended 31 March 2013 is £nil (2012 - £nil) The deferred tax charge for the year ended 31 March 2013 is £nil (2012 - £nil)

Factors affecting tax charge for the year

The current tax charge for the year is higher than (2012 - equal to) the standard rate of corporation tax in the UK of 24% (2012 - 26%) The differences are explained below

	Year ended 31 March 2013 £	Unaudited Year ended 31 March 2012 £
Loss on ordinary activities before tax	(4,906)	-
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 24% (2012 - 26%)	(1,177)	-
Effects of:		
Other timing differences	73,795	-
Group relief claim	(72,618)	-
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 reduce the unrecognised deferred tax asset at 31 March 2013, although it has not yet been possible to quantify the full anticipated effect of these reductions

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 £70,720 (2012 - £nil) arising from short term timing differences of £294,667 (2012 - £nil) as the short term timing differences are not expected to reverse in the foreseeable future

Details of the Company's total recognised and unrecognised deferred tax assets at the year end are shown in the table in the balance sheet note below

The deferred tax figure above comprises

	2013 Cumulative recognised £	2013 Cumulative unrecognised £	Unaudited 2012 Cumulative recognised £	Unaudited 2012 Cumulative unrecognised £
Short term timing differences	-	(70,720)	-	-

Notes to the financial statements

6 Debtors

	2013 £	Unaudited 2012 £
Amounts owed by parent undertaking	575,343	-
Other debtors	7,050	100
	<u>582,393</u>	<u>100</u>

7. Creditors: Amounts falling due within one year

	2013 £	Unaudited 2012 £
Amounts owed to group undertakings	242,888	-
Social security and other taxes	40,047	-
Other creditors	314,161	-
Accruals and deferred income	4,500	-
	<u>601,596</u>	<u>-</u>

8. Share capital

	2013 £	Unaudited 2012 £
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

9. Reserves

	<i>Profit and loss account</i> £
At 1 April 2012 (unaudited)	-
Loss for the year	(4,906)
At 31 March 2013	<u>(4,906)</u>

Notes to the financial statements

10. Reconciliation of movement in shareholders' funds

	2013 £	Unaudited 2012 £
Opening shareholders' funds (unaudited)	100	-
Loss for the year	(4,906)	-
Shares issued during the year	-	100
Closing shareholders' (deficit)/funds	(4,806)	100

11. Pension commitments

The Company contributes to the NHS Pension Scheme for its employees and directors, 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 the contributions payable by the Company to the scheme and this amounted to £179,831. Contributions totalling £307,479 were payable to the scheme at the balance sheet date and are included in other creditors.

12. Related party transactions

The Company's ultimate parent undertaking was 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 8 'Related party disclosures'.

As a 100% owned subsidiary of Virgin Care Services 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 Services Limited and its wholly owned subsidiaries.

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

Included in amounts owed to group undertakings, is £242,888 owed to VH Doctors Limited.

13. Ultimate parent undertaking and controlling party

The parent undertaking of VH Community Services Limited is Virgin Care Services 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.