

**VH Community Services Limited**

**Annual Report and Financial Statements**

**For the Year Ended 31 March 2016**



\*A5LWXQ80\*

A26

15/12/2016

#57

COMPANIES HOUSE

---

## **VH Community Services Limited**

---

### **Contents**

---

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Directors' Report</b>	<b>2 - 3</b>
<b>Directors' Responsibilities Statement</b>	<b>4</b>
<b>Independent Auditor's Report to the shareholders of VH Community Services Ltd</b>	<b>5 - 6</b>
<b>Profit and Loss Account and Other Comprehensive Income</b>	<b>7</b>
<b>Balance Sheet</b>	<b>8</b>
<b>Statement of Changes in Equity</b>	<b>9</b>
<b>Notes to the Financial Statements</b>	<b>10 - 19</b>

---

**VH Community Services Limited**

---

---

**Company Information**

---

<b>Directors</b>	S T A Master A J Moore P J Taylor
<b>Registered number</b>	7568015
<b>Registered office</b>	Lynton House 7-12 Tavistock Square London WC1H 9LT
<b>Independent auditor</b>	KPMG LLP Chartered Accountants 8 Princes Parade Liverpool L3 1QH

---

## **VH Community Services 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.

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.

During the year the Company transitioned to FRS101 Reduced Disclosure Framework. Further detail of this is disclosed in notes 1 and 14.

#### **Principal activity**

The principal activity of the business is the provision of clinical services.

#### **Results and dividends**

The loss for the year, after taxation, amounted to £10,362 (2015 - profit £3,551).

The directors do not recommend the payment of a dividend for 2016 (2015 - £nil). The retained loss for the financial year of £10,362 (2015 - profit £3,551) has been transferred to reserves.

#### **Directors**

The directors who served during the year were:

S T A Master  
A J Moore  
P J Taylor

#### **Political and charitable contributions**

The Company made no political or charitable donations nor incurred any political expenditure during the year (2015 - £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 futures 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.

---

**VH Community Services Limited**

---

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

---

**Disclosure of information to auditor**

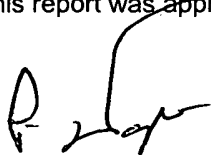
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- 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 auditor, 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 *5 December 2016* and signed on its behalf.



**P J Taylor**  
Director

---

## **VH Community Services 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.

---

## **VH Community Services Limited**

---

### **Independent Auditor's Report to the Shareholders of VH Community Services Limited**

---

We have audited the financial statements of VH Community Services Limited for the year ended 31 March 2016, set out on pages 7 to 19. The financial reporting framework that has been applied in their preparation is applicable law 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](http://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 the financial statements and the directors' report has been prepared in accordance with applicable legal requirements.

---

**VH Community Services Limited**

---

**Independent Auditor's Report to the Shareholders of VH Community Services 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: 14/12/2016



**VH Community Services Limited**

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

	Note	2016 £	2015 Restated £
Turnover	3	1,493,327	1,541,415
Cost of sales		(1,496,459)	(1,539,444)
<b>Gross (loss)/profit</b>		<b>(3,132)</b>	<b>1,971</b>
Administrative expenses		(7,230)	1,580
<b>Operating (loss)/profit</b>	4	<b>(10,362)</b>	<b>3,551</b>
Tax on (loss)/profit	7	-	-
<b>(Loss)/profit for the year and total comprehensive income</b>		<b>(10,362)</b>	<b>3,551</b>

The notes on pages 10 to 19 form part of these financial statements.

**VH Community Services Limited**  
Registered number: 7568015

**Balance Sheet**  
**As at 31 March 2016**

	Note	£	2016 £	£	2015 Restated £
<b>Current assets</b>					
Debtors: amounts falling due within one year	8	1,601,402		1,228,075	
Cash at bank and in hand		-		18,287	
		<u>1,601,402</u>		<u>1,246,362</u>	
Creditors: amounts falling due within one year	9	(1,623,043)		(1,257,641)	
<b>Net current liabilities</b>			<u>(21,641)</u>		<u>(11,279)</u>
<b>Total assets less current liabilities</b>			<u>(21,641)</u>		<u>(11,279)</u>
<b>Net liabilities</b>			<u>(21,641)</u>		<u>(11,279)</u>
<b>Capital and reserves</b>					
Called up share capital	10		100		100
Retained earnings			(21,741)		(11,379)
<b>Shareholders' deficit</b>			<u>(21,641)</u>		<u>(11,279)</u>

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

*5 December 2016*



**P J Taylor**  
Director

The notes on pages 10 to 19 form part of these financial statements.

**VH Community Services 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)	100	(8,211)	(8,111)
First time adoption of FRS 101 adjustment	-	(3,168)	(3,168)
At 1 April 2015 (as restated)	<u>100</u>	<u>(11,379)</u>	<u>(11,279)</u>
<b>Comprehensive income for the year</b>			
Loss for the year	-	(10,362)	(10,362)
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>(10,362)</u>	<u>(10,362)</u>
<b>At 31 March 2016</b>	<u><u>100</u></u>	<u><u>(21,741)</u></u>	<u><u>(21,641)</u></u>

**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)	100	(9,790)	(9,690)
First time adoption of FRS 101 adjustment	-	(5,140)	(5,140)
At 1 April 2014 (as restated)	<u>100</u>	<u>(14,930)</u>	<u>(14,830)</u>
<b>Comprehensive income for the year</b>			
Profit for the year	-	3,551	3,551
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>3,551</u>	<u>3,551</u>
<b>At 31 March 2015</b>	<u><u>100</u></u>	<u><u>(11,379)</u></u>	<u><u>(11,279)</u></u>

The notes on pages 10 to 19 form part of these financial statements.

---

## VH Community Services Limited

---

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

---

#### 1. Accounting policies

##### 1.1 Basis of preparation of financial statements

VH Community Services 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 14.

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 LLP 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. Non-current assets are stated at the lower of previous carrying amounts and fair value.

**1.3 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.

**1.4 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.

**1.5 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 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.

**1.6 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.

**1.7 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.

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

---

**1. Accounting policies (continued)**

**1.8 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.

**1.9 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.

---

## VH Community Services Limited

---

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

---

#### 1. Accounting policies (continued)

##### 1.10 Current and Deferred Taxation

The tax expense for the year comprises current and deferred tax. 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 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 income 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 against 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.

#### 3. Turnover

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

---

**VH Community Services Limited**

---

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

---

**4. Operating (loss)/profit**

The operating (loss)/profit is stated after charging:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Fees for the audit of the Company	<b>6,955</b>	<b>4,830</b>

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. Employees**

Staff costs were as follows:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>Restated £</b>
Wages and salaries	<b>1,242,222</b>	<b>1,274,262</b>
Social security costs	<b>111,130</b>	<b>115,965</b>
Cost of defined contribution scheme	<b>143,107</b>	<b>149,217</b>
	<b>1,496,459</b>	<b>1,539,444</b>

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

	<b>2016</b>	<b>2015</b>
	<b>No.</b>	<b>No.</b>
Direct staff	<b>31</b>	<b>32</b>

**6. Directors' remuneration**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Directors' emoluments	<b>37,428</b>	<b>114,644</b>
Contributions to pension scheme	<b>4,132</b>	<b>12,658</b>
	<b>41,560</b>	<b>127,302</b>

During the year retirement benefits were accruing to 2 directors (2015 - 2) in respect of defined contribution pension schemes.



# VH Community Services Limited

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

### 7. Taxation

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

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

### 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)/profit on ordinary activities before tax	(10,362)	3,551
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 21%)	(2,072)	746
<b>Effects of:</b>		
Deferred tax not recognised	15,372	29,843
Adjustments to tax charge in respect of previous periods	-	(414)
Adjust closing deferred tax to average rate	12,616	-
Group relief surrendered / (claimed)	(25,916)	(31,667)
Impact of changes in tax laws and rates	-	1,492
<b>Total tax charge for the year</b>	-	-

### 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.

# VH Community Services Limited

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

### 7. Taxation (continued)

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 £113,541 (2015 - £97,535) arising from short term timing differences of £630,784 (2015 - £487,676) as the short term timing differences are not expected to reverse in the foreseeable future.

### 8. Debtors

	2016 £	2015 £
Amounts owed by parent undertaking	1,601,302	1,227,975
Other debtors	100	100
	<u>1,601,402</u>	<u>1,228,075</u>

### 9. Creditors: Amounts falling due within one year

	2016 £	2015 Restated £
Bank overdrafts	96,475	-
Amounts owed to group undertakings	249,844	260,191
Taxation and social security	61,493	64,582
Other creditors	1,204,117	924,870
Accruals and deferred income	11,114	7,998
	<u>1,623,043</u>	<u>1,257,641</u>

### 10. Share capital

	2016 £	2015 £
Allotted, called up and partly paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

---

## **VH Community Services Limited**

---

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

---

#### **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 £143,108 (2015 - £149,217). Contributions totalling £1,204,117 (2015 - £924,869) 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.

As a 100% owned subsidiary of Virgin Care Services Limited, the Company has taken advantage of the exemption 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 Ltd.

Included in amounts owed to group undertakings, is £242,888 (2015 - £257,691) owed to VH Doctors Limited. There were no purchases during the year.

#### **13. 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 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.

VH Community Services Limited

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

14. First time adoption of FRS 101

		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 £
Note							
	Current assets	953,122	-	953,122	1,246,362	-	1,246,362
	Creditors: amounts falling due within one year	(962,812)	(5,140)	(967,952)	(1,254,473)	(3,168)	(1,257,641)
	<b>Net current liabilities</b>	<b>(9,690)</b>	<b>(5,140)</b>	<b>(14,830)</b>	<b>(8,111)</b>	<b>(3,168)</b>	<b>(11,279)</b>
	<b>Total assets less current liabilities</b>	<b>(9,690)</b>	<b>(5,140)</b>	<b>(14,830)</b>	<b>(8,111)</b>	<b>(3,168)</b>	<b>(11,279)</b>
	<b>Net liabilities</b>	<b>(9,690)</b>	<b>(5,140)</b>	<b>(14,830)</b>	<b>(8,111)</b>	<b>(3,168)</b>	<b>(11,279)</b>
	Shareholders' deficit	(9,690)	(5,140)	(14,830)	(8,111)	(3,168)	(11,279)

# VH Community Services Limited

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

### 14. 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		1,541,415	-	1,541,415
Cost of sales	1	(1,541,415)	1,972	(1,539,443)
<b>Gross Profit</b>	1	-	1,972	1,972
Administrative expenses		1,579	-	1,579
	1	1,579	1,972	3,551
<b>Profit and total comprehensive income</b>	1	1,579	1,972	3,551

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 corresponding charge in the profit and loss account.