

Registered number: 7568015

VH Community Services Limited

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



Company Information

Directors	S T A Master A J Moore P J Taylor
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 2015.

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 is the provision of clinical services.

Results and dividends

The profit for the year, after taxation, amounted to £1,579 (2014 - loss £4,884). The directors do not recommend the payment of a dividend for 2015 (2014 - £nil). The retained profit for the financial year of £1,579 (2014 – loss £4,884) has been transferred to reserves.

Directors

The directors who served during the year were:

S T A Master
A J Moore
P J Taylor (appointed 6 August 2014)
V M McVey (resigned 6 August 2014)

Political contributions

The Company made no political or charitable donations nor incurred any political expenditure in the year (2014 - £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

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.

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 *17th December 2015* and signed on its behalf.



P J Taylor
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 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 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;
- 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 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 VH Community Services Limited

We have audited the financial statements of VH Community Services 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 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 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 profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of 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; 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: 18/12/2015

Profit and loss account
for the year ended 31 March 2015

	<i>Note</i>	2015 £	2014 £
Turnover	2	1,541,415	1,700,417
Cost of sales		(1,541,415)	(1,700,417)
Gross profit		-	-
Administrative expenses		1,579	(4,884)
Profit/(loss) on ordinary activities before taxation	3	1,579	(4,884)
Tax on profit/(loss) on ordinary activities	5	-	-
Profit/(loss) for the financial year		1,579	(4,884)

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: 7568015

Balance sheet
as at 31 March 2015

	<i>Note</i>	£	2015 £	£	2014 £
Current assets					
Debtors	6	1,228,075		925,860	
Cash at bank		18,287		27,262	
		<u>1,246,362</u>		<u>953,122</u>	
Creditors: amounts falling due within one year	7	<u>(1,254,473)</u>		<u>(962,812)</u>	
Net current liabilities			<u>(8,111)</u>		<u>(9,690)</u>
Total assets less current liabilities			<u>(8,111)</u>		<u>(9,690)</u>
Capital and reserves					
Called up share capital	8		100		100
Profit and loss account	9		<u>(8,211)</u>		<u>(9,790)</u>
Shareholders' deficit	10		<u>(8,111)</u>		<u>(9,690)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
17th December 2015



P J Taylor
Director

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

Notes to the financial statements

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

As the Company is a wholly owned subsidiary of Virgin Care 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 profit/(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. Profit/(loss) on ordinary activities before taxation

The profit/(loss) on ordinary activities before taxation is stated after charging:

	2015	2014
	£	£
Auditor's remuneration - audit of the Company's financial statements	4,830	4,650

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:

	2015 £	2014 £
Wages and salaries	1,276,233	1,396,293
Social security costs	115,965	131,196
Other pension costs	149,217	172,928
	<u>1,541,415</u>	<u>1,700,417</u>

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

	2015 No.	2014 No.
Direct Staff	<u>32</u>	<u>36</u>

During the year, the directors received emoluments in respect of services provided to the Company totalling £114,644 (2014 - £129,132).

5. Taxation

The current tax charge for the year ended 31 March 2015 is £nil (2014 - £nil). The deferred tax charge for the year ended 31 March 2015 is £nil (2014 - £nil).

Factors affecting tax charge for the year

The current tax charge for the year is lower than (2014 - higher than) the standard rate of corporation tax in the UK of 21% (2014 - 23%). The differences are explained below:

	2015 £	2014 £
Profit / (loss) on ordinary activities before tax	<u>1,579</u>	<u>(4,884)</u>
Profit / (loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2014 - 23%)	332	(1,123)
Effects of:		
Other timing differences	31,336	36,484
Group relief claim not paid for	(31,667)	(35,361)
Current tax charge for the year	<u>-</u>	<u>-</u>

Notes to the financial statements

5. Taxation (continued)

Factors that may affect future tax charges

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

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

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 £97,535 (2014 - £67,692) arising from short term timing differences of £487,676 (2014 - £338,459) 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:

	2015 Cumulative recognised £	2015 Cumulative unrecognised £	2014 Cumulative recognised £	2014 Cumulative unrecognised £
Short term timing differences	-	(97,535)	-	(67,692)

6. Debtors

	2015 £	2014 £
Amounts owed by parent undertaking	1,227,975	925,760
Other debtors	100	100
	<u>1,228,075</u>	<u>925,860</u>

Notes to the financial statements

7. Creditors: Amounts falling due within one year

	2015 £	2014 £
Amounts owed to group undertakings	260,191	242,888
Other taxation and social security	64,582	59,026
Other creditors	924,870	629,428
Accruals and deferred income	4,830	31,470
	<u>1,254,473</u>	<u>962,812</u>

8. Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

9. Reserves

	<i>Profit and loss account</i> £
At 1 April 2014	(9,790)
Profit for the financial year	<u>1,579</u>
At 31 March 2015	<u>(8,211)</u>

10. Reconciliation of movement in shareholders' deficit

	2015 £	2014 £
Opening shareholders' deficit	(9,690)	(4,806)
Profit / (loss) for the year	<u>1,579</u>	<u>(4,884)</u>
Closing shareholders' deficit	<u>(8,111)</u>	<u>(9,690)</u>

Notes to the financial statements

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 £149,217 (2014 - £172,928). Contributions totalling £924,869 (2014 - £629,428) 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 £257,691 (2014 - £242,888) owed to VH Doctors Limited. Purchases from VH Doctors Limited in 2015 were £14,803 (2014 - £nil).

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 UK Holdings Limited and Virgin 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.