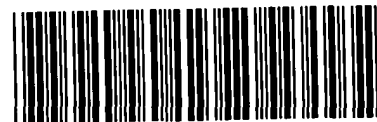


Virgin Care Darlington LLP

Annual report and financial statements

For the Year Ended 31 March 2017

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Virgin Care Darlington LLP

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Virgin Care Darlington LLP

Information

Designated Members

Virgin Care Limited

Virgin Care Corporate Services Limited

LLP registered number

OC338354

Registered office

Lynton House, 7-12 Tavistock Square, London, WC1H 9LT

Virgin Care Darlington LLP

Members' report For the Year Ended 31 March 2017

The members present their annual report together with the audited financial statements of Virgin Care Darlington LLP (the "LLP") for the year ended 31 March 2017. The members confirm that the annual report and financial statements of the LLP comply with current statutory requirements and the requirements of the LLP's governing document.

Principal activities

The principal objective of the LLP continues to be the provision of NHS primary care services.

Designated Members

Virgin Care Limited and Virgin Care Corporate Services Limited were designated members of the LLP throughout the period.

Members' capital and interests

At the commencement of the business Virgin Care Limited has invested a capital sum based on the number of patients registered with the practice members. The remainder of the members were not required to contribute capital to the LLP on incorporation. The capital invested by Virgin Care Limited was originally only repayable if the LLP is liquidated or wound up. On 25 March 2013 the LLP agreement was amended which resulted in the capital amounts becoming repayable on demand.

The policy on member's drawings states that, following each financial year, once the financial statements have been prepared, the whole of the profit shall, after setting off any losses brought forward from any previous financial year be distributed 99% to Virgin Care Limited and 1% to Virgin Care Corporate Services Limited.

Political and charitable donations

There were no political or charitable donations during the year (2016 : £nil).

Disclosure of information to auditors

Each of the persons who are members at the time when this Members' report is approved has confirmed that:

- so far as that member is aware, there is no relevant audit information of which the LLP's auditors are unaware; and
- that member has taken all the steps that ought to have been taken as a member in order to be aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

Virgin Care Darlington LLP

**Members' report (continued)
For the Year Ended 31 March 2017**

Auditors

The auditors, KPMG LLP, have indicated their willingness to continue in office. The Designated members will propose a motion re-appointing the auditors at a meeting of the members.

This report was approved by the members on 14/12/17 and signed on their behalf by:



**Virgin Care Limited
Designated member**

Virgin Care Darlington LLP

Members' responsibilities statement For the Year Ended 31 March 2017

The members are responsible for preparing the Members' Report and the LLP financial statements in accordance with applicable law and regulations.

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 require the members to prepare financial statements for each financial year. Under that law the members 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 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Under Regulation 8 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 the members must not approve the LLP financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the LLP and of the profit or loss of the LLP for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies for the LLP's financial statements 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 entity will continue in business.

Under Regulation 6 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, the members are responsible for keeping adequate accounting records that are sufficient to show and explain the entity's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Virgin Care Darlington LLP

Independent auditors' report to the members of Virgin Care Darlington LLP

We have audited the financial statements of Virgin Care Darlington LLP for the year ended 31 March 2017, set out on pages 7 to 16. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework'.

This report is made solely to the members of the limited liability partnership (LLP), as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as required by Regulation 39 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP'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 LLP and the LLP's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Members and Auditors

As explained more fully in the Members' responsibilities statement on page 4, the members 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 LLP's affairs as at 31 March 2017 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, as applied to limited liability partnerships by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

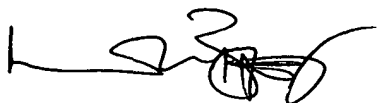
Virgin Care Darlington LLP

Independent auditors' report to the members of Virgin Care Darlington LLP (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, as applied to limited liability partnerships, 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
- we have not received all the information and explanations we require for our audit; or
- the members were not entitled to prepare financial statements in accordance with the small limited liability partnerships' regime.



Will Baker (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

8 Princes Parade

Liverpool

L3 1QH

Date: 19 December 2017

Virgin Care Darlington LLP

**Profit and Loss Account and Other Comprehensive Income
For the Year Ended 31 March 2017**

	Note	2017 £	2016 £
Turnover	3	622,784	597,958
Cost of sales		(625,586)	(549,033)
		<u> </u>	<u> </u>
Gross (loss)/profit		(2,802)	48,925
Administrative expenses		(278)	(4,905)
		<u> </u>	<u> </u>
Operating (loss)/profit	4	(3,080)	44,020
		<u> </u>	<u> </u>
(Loss)/profit for the year before members' remuneration and profit shares		(3,080)	44,020
		<u> </u>	<u> </u>
(Loss)/profit for the year before members' remuneration and profit shares		(3,080)	44,020
Members' remuneration charged as an expense	5	(12,413)	(11,959)
		<u> </u>	<u> </u>
(Loss)/profit for the financial year available for division among members		(15,493)	32,061
		<u> </u>	<u> </u>

There was no other comprehensive income for 2017 (2016 : £NIL).

The notes on pages 10 to 16 form part of these financial statements.

Virgin Care Darlington LLP
Registered number: OC338354

Balance Sheet
As at 31 March 2017

	Note	2017 £	2017 £	2016 £	2016 £
Current assets					
Debtors: amounts falling due within one year	6	181,073		346,451	
Cash at bank & in hand		146,211		100	
		<u>327,284</u>		<u>346,551</u>	
Creditors: amounts falling due within one year	7	(138,105)		(147,245)	
Net current assets			189,179		199,306
Total assets less current liabilities			189,179		199,306
Net assets attributable to members			189,179		199,306

Virgin Care Darlington LLP
Registered number: OC338354

Balance Sheet (continued)
As at 31 March 2017

	Note	2017 £	2017 £	2016 £	2016 £
Represented by:					
Loans and other debts due to members within one year					
Members capital classified as a liability	8		200,992		200,992
Amounts and other debts due to members	8		335,458		330,091
			<u>536,450</u>		<u>531,083</u>
Members' other interests					
Members other interests		(347,271)		(331,777)	
			<u>(347,271)</u>		<u>(331,777)</u>
			<u>189,179</u>		<u>199,306</u>
Total members' interests					
Amounts due to members	8		536,450		531,083
Other reserves			(347,271)		(331,777)
			<u>189,179</u>		<u>199,306</u>

The financial statements were approved and authorised for issue by the members and were signed on their behalf on

14/12/17

E. Jackson

Virgin Care Limited

Designated member

The notes on pages 10 to 16 form part of these financial statements.

Virgin Care Darlington LLP

Notes to the financial statements For the Year Ended 31 March 2017

1. Accounting policies

1.1 Basis of preparation of financial statements

Virgin Care Darlington LLP ("the LLP") is incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the LLP applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The LLP's ultimate parent with the UK, Virgin Holdings Limited, includes the LLP 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 LLP has applied exemptions available under FRS101 in respect of the following disclosures:

- 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 LLP 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.

Virgin Care Darlington LLP

Notes to the financial statements For the Year Ended 31 March 2017

1. Accounting policies (continued)

1.2 Measurement convention

The financial statements are prepared on the historical cost basis.

1.3 Going concern

The financial statements of the LLP have been prepared on the going concern basis, which the members believe to be appropriate for the following reasons:

- At the balance sheet date the LLP has a positive net members interest position;
- Managements' trading forecasts for the foreseeable future expect the LLP to continue to make profits and the entities will return net positive cash flows; and
- The LLP has sufficient working capital to continue in operation for the foreseeable future. The LLP's parent company, Virgin Care Limited has confirmed that the amounts due to members' balance of £536,450 included within loans and other debts due to members will not be called for payment within 12 months from the date of approval of these financial statements. This should enable the LLP to continue in operational existence for the foreseeable future. As with any entity placing reliance on other group entities for financial support, the members 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 members believe that it remains appropriate to prepare the financial statements on a going concern basis.

1.4 Turnover

Turnover comprises revenue recognised by the LLP in respect of services supplied during the year, exclusive of Value Added Tax and net of discounts.

1.5 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.

1.6 Member's remuneration charged as an expense

Members' remuneration charged as an expense includes management charges payable to Virgin Care Limited for providing various support services to the LLP. These are calculated in accordance with the terms set out in the LLP agreement. Members' remuneration charged as an expense includes the profits which are attributable to the members which are automatically allocated to them in accordance with the terms of the LLP agreement.

Virgin Care Darlington LLP

**Notes to the financial statements
For the Year Ended 31 March 2017**

1. Accounting policies (continued)

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

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the LLP would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

1.8 Impairment of non-financial assets

The carrying amounts of the LLP'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.

1.9 Holiday pay accrual

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

1.10 Taxation

The taxation payable on partnership profits is the liability of the members during the year. Consequently, neither partnership taxation nor related deferred taxation are accounted for in the financial statements.

Virgin Care Darlington LLP

**Notes to the financial statements
For the Year Ended 31 March 2017**

2. Judgments in applying accounting policies and key sources of estimation uncertainty

The LLP makes judgements and estimates in preparing the financial statements. Judgements and estimates are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under circumstances. In the future, actual experience may differ from these. The judgements and estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Trade receivables

The LLP's management periodically assesses the adequacy of the provision for doubtful debts receivable using historical experience, and other facts and reasonable assumptions to establish the LLP's ultimate exposure.

3. Analysis of turnover

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

	2017 £	2016 £
Provision of medical services	622,784	597,958
	<u>622,784</u>	<u>597,958</u>

All turnover arose within the United Kingdom.

4. Operating (loss)/profit

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

	2017 £	2016 £
Depreciation of tangible fixed assets	-	12,449
Fees payable to the LLP's auditor and its associates for the audit of the LLP's annual financial statements	3,500	3,300
	<u>3,500</u>	<u>3,300</u>

5. Members remuneration charged as an expense

	2017 £	2016 £
Management charge payable to Virgin Care Limited under the terms of the LLP agreement	12,413	11,959
	<u>12,413</u>	<u>11,959</u>

Virgin Care Darlington LLP

Notes to the financial statements
For the Year Ended 31 March 2017

6. Debtors

	2017 £	2016 £
Trade debtors	111,022	290,381
Amounts owed by group undertakings	-	2,839
Other debtors	11,005	560
Prepayments and accrued income	59,046	52,671
	<u>181,073</u>	<u>346,451</u>

7. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank overdrafts	-	118,089
Trade creditors	-	66
Amounts owed to group undertakings	104,493	-
Taxation and social security	1,272	1,078
Accruals and deferred income	32,340	28,012
	<u>138,105</u>	<u>147,245</u>

The LLP bank overdraft balance is a result of the group pooling and sweeping arrangements in place with the group's bankers. The group's bank balances are pooled together on a group basis and swept into an overnight deposit account. Consequently, individual entity bank accounts may show an overdrawn position at year end, but overall the group had positive cash balances and therefore had no requirement for a formal overdraft facility.

Virgin Care Darlington LLP

Notes to the financial statements For the Year Ended 31 March 2017

8. Loans and other debts due to members

	2017 £	2016 £
Members capital classified as a liability	200,992	200,992
Amounts and other debts due to members	335,458	330,091
	<u>536,450</u>	<u>531,083</u>

	2017 £	2016 £
Falling due within one year	335,458	330,091
	<u>335,458</u>	<u>330,091</u>

Members capital classified as a liability of £200,992 (2016 : £200,992) ranks after unsecured creditors in the event of a winding up. Amounts due to members within one year rank equally with debts due to ordinary creditors in the event of winding up.

9. Related party transactions

The LLP's ultimate parent undertaking was Virgin Group Holdings Limited, whose sole shareholder is Sir Richard Branson. The shareholder of Virgin Group Holdings Limited has interests directly or indirectly in certain other companies which under FRS101 are considered exempt from disclosure.

As a wholly owned subsidiary of Virgin Healthcare Holdings Limited, the LLP has taken advantage of the exemption available in FRS101 which enables it to exclude disclosure of transactions and balances with Virgin Healthcare Holdings Limited and its wholly owned subsidiaries.

10. Ultimate parent undertaking and controlling party

The parent undertaking of Virgin Care Darlington LLP is Virgin Care Limited. The LLP 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 LLP 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.

Virgin Care Darlington LLP

**Notes to the Financial Statements
For the Year Ended 31 March 2017**

11. Reconciliation of Members' Interests for the Year Ended 31 March 2017

	Other reserves	Loans and other debts due to members less any amounts due from members in debtors	Total 2017	Total 2016
	£	£	£	£
Amounts due to members b/fwd		531,083		
Amounts due from members b/fwd		-		
Balance at 1 April	(331,777)	531,083	199,306	60,833
Loss/(profit) for year	<u>(15,493)</u>	<u>-</u>	<u>(15,493)</u>	<u>32,061</u>
Members interest after profit for the year	(347,271)	531,083	183,812	92,894
Amounts introduced/(withdrawn) by members	-	-	-	105,000
Other movements	-	5,367	5,367	1,412
Members interests at 31 March	(347,271)	536,450	189,179	199,306
Amounts due to members c/fwd		536,450		
Amounts due from members c/fwd		-		
		<u>536,450</u>		