
VIRGIN DIGITAL HELP LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012



VIRGIN DIGITAL HELP LIMITED

COMPANY INFORMATION

DIRECTORS	M Bartusek A Schulte
REGISTERED NUMBER	02733490
REGISTERED OFFICE	33rd Floor 30 St Mary Axe London EC3A 8EP
INDEPENDENT AUDITORS	Crowe Clark Whitehill LLP St Bride's House 10 Salisbury Square London EC4Y 8EH

VIRGIN DIGITAL HELP LIMITED

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VIRGIN DIGITAL HELP LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2012**

The directors present their report and the financial statements for the year ended 31 March 2012

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The principal activity of the Company is the provision of technical support services

The directors focus on the core activities of Virgin Digital Help Ltd, fully leveraging the expertise of the Sutherland group of companies in providing digital technical support while at the same time enjoying the brand support of the Virgin group of companies

The directors are confident that this focus and ongoing expansion into new geographical markets, with post year end agreements in place with new major business partners, that the company will become profitable in a reasonable time period

RESULTS

The loss for the year, after taxation, amounted to £2,674,831 (2011 - loss £3,535,051)

DIRECTORS

The directors who served during the year were

M Bartusek
A Schulte

PROVISION OF INFORMATION TO AUDITORS

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 auditors are 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 information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

AUDITORS

The auditors, Crowe Clark Whitehill LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board on **4 April 2013** and signed on its behalf



M Bartusek
Director

VIRGIN DIGITAL HELP LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2012

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 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 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.

VIRGIN DIGITAL HELP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF VIRGIN DIGITAL HELP LIMITED

We have audited the financial statements of Virgin Digital Help Limited for the year ended 31 March 2012, set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 Auditors' 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 AUDITORS

As explained more fully in the Directors' responsibilities statement, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2012 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.

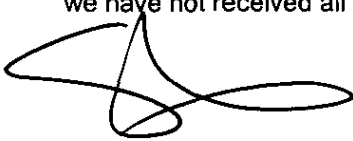
VIRGIN DIGITAL HELP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF VIRGIN DIGITAL HELP 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



Stephen Bullock (Senior statutory auditor)

for and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

St Bride's House
10 Salisbury Square
London
EC4Y 8EH
Date

5 April 2013

VIRGIN DIGITAL HELP LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2012**

	Note	2012 £	2011 £
TURNOVER	1,2	341,852	289,377
Cost of sales		<u>(2,458,830)</u>	<u>(2,598,140)</u>
GROSS LOSS		(2,116,978)	(2,308,763)
Administrative expenses		<u>(557,853)</u>	<u>(1,163,872)</u>
OPERATING LOSS	3	(2,674,831)	(3,472,635)
Interest payable and similar charges	6	<u>-</u>	<u>(62,416)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(2,674,831)	(3,535,051)
Tax on loss on ordinary activities	7	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR	11	<u>(2,674,831)</u>	<u>(3,535,051)</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and loss account

The notes on pages 7 to 11 form part of these financial statements

VIRGIN DIGITAL HELP LIMITED
REGISTERED NUMBER: 02733490

BALANCE SHEET
AS AT 31 MARCH 2012

	Note	£	2012 £	£	2011 £
CURRENT ASSETS					
Debtors	8	14,619		175,825	
Cash at bank		70,902		-	
		<u>85,521</u>		<u>175,825</u>	
CREDITORS' amounts falling due within one year	9	<u>(3,958,252)</u>		<u>(1,373,725)</u>	
NET CURRENT LIABILITIES			<u>(3,872,731)</u>		<u>(1,197,900)</u>
NET LIABILITIES			<u>(3,872,731)</u>		<u>(1,197,900)</u>
CAPITAL AND RESERVES					
Called up share capital	10		1,428		1,428
Share premium account	11		4,673,106		4,673,106
Profit and loss account	11		<u>(8,547,265)</u>		<u>(5,872,434)</u>
SHAREHOLDERS' DEFICIT	12		<u>(3,872,731)</u>		<u>(1,197,900)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
4 April 2013.



M Bartusek
 Director

The notes on pages 7 to 11 form part of these financial statements

VIRGIN DIGITAL HELP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

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 generally accepted in the United Kingdom

1.2 Going concern

The financial statements have been prepared on a going concern basis in view of the fact that the parent undertaking Sutherland Global Services Inc has formally indicated that it is its present intention to provide sufficient funding to the Company to enable it to meet its liabilities as they fall due for at least 12 months from the date of the signature of these accounts

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts

Subscription income is recognised on a straight line basis over the period covered by the terms of sale. Income from 'pay as you go' sales is recognised as the service is delivered. All prepaid income is recognised as deferred income on the balance sheet

1.4 Deferred taxation

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 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the Profit and loss account

1.6 Pensions

The company was a member of a defined contribution pension scheme, operated by Virgin Management Limited (a related undertaking to 31 January 2011). Since the change of ownership the company has left this scheme and has ceased to make any pension contributions

VIRGIN DIGITAL HELP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

2. TURNOVER

The whole of the turnover is attributable to technical support services

All turnover arose within the United Kingdom

3. OPERATING LOSS

The operating loss is stated after charging

	2012	2011
	£	£
Auditors' remuneration	10,100	7,000
Difference on foreign exchange	(23,853)	-
	=====	=====

4. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2012	2011
	£	£
Wages and salaries	200,378	442,149
Social security costs	24,693	83,699
Other pension costs	-	38,880
	=====	=====
	225,071	564,728
	=====	=====

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

	2012	2011
	No.	No.
Administration and Management	1	4
	=====	=====

5. DIRECTORS' REMUNERATION

	2012	2011
	£	£
Emoluments	-	142,446
	=====	=====
Company pension contributions to defined contribution pension schemes	-	17,733
	=====	=====
Compensation for loss of office	-	121,123
	=====	=====

During the year retirement benefits were accruing to no directors (2011 - 1) in respect of defined contribution pension schemes

VIRGIN DIGITAL HELP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

6 INTEREST PAYABLE

	2012 £	2011 £
On group loans	-	62,416

7. TAXATION

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2011 - *lower than*) the standard rate of corporation tax in the UK of 26% (2011 - 28%) The differences are explained below

	2012 £	2011 £
Loss on ordinary activities before tax	(2,674,831)	(3,535,051)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2011 - 28%)	(695,456)	(989,814)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	17,476
Unrelieved tax losses carried forward	695,456	972,338
Current tax charge for the year (see note above)	-	-

Factors that may affect future tax charges

No deferred tax asset has been recognised in relation to the unutilised tax losses on the basis that it is not recoverable. It is not likely that there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted.

The total balance of unrelieved tax losses at 31 March 2012 is £8,475,448 (2011 £5,801,019)

8. DEBTORS

	2012 £	2011 £
Trade debtors	14,521	22,049
Amounts owed by group undertakings	98	153,776
	14,619	175,825

VIRGIN DIGITAL HELP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

9. CREDITORS.

Amounts falling due within one year

	2012 £	2011 £
Trade creditors	6,613	-
Amounts owed to group undertakings	3,769,798	1,216,022
Social security and other taxes	4,618	14,295
Accruals and deferred income	177,223	143,408
	<u>3,958,252</u>	<u>1,373,725</u>

10 SHARE CAPITAL

	2012 £	2011 £
Allotted, called up and fully paid		
142,836 (2011 - 142,836) Ordinary shares of £0.01 each	<u>1,428</u>	<u>1,428</u>

11 RESERVES

	Share premium account £	Profit and loss account £
At 1 April 2011	4,673,106	(5,872,434)
Loss for the year		(2,674,831)
	<u>4,673,106</u>	<u>(8,547,265)</u>
At 31 March 2012		

12 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	2012 £	2011 £
Opening shareholders' deficit	(1,197,900)	(2,336,361)
Loss for the year	(2,674,831)	(3,535,051)
Shares issued during the year	-	467
Share premium on shares issued (net of expenses)	-	4,673,045
	<u>(3,872,731)</u>	<u>(1,197,900)</u>
Closing shareholders' deficit		

VIRGIN DIGITAL HELP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

13 PENSION COMMITMENTS

In the prior year the company operated a defined contribution scheme until 31 January 2011. The pension costs charge in the prior year represents contributions payable by the company and amounted to £38,880. There were no pension commitments made in the year to 31 March 2012.

14. RELATED PARTY TRANSACTIONS

Prior to the acquisition of Virgin Digital Help Limited by Sutherland Global Services UK Limited, the company undertook transactions with its ultimate parent company Virgin Group Holdings Limited, whose principal shareholders are certain trusts, none of which individually had a controlling interest in Virgin Group Holdings Limited. The principal beneficiaries of those trusts are Sir Richard Branson and/or his immediate family. Virgin Digital Holdings Limited had interests directly and indirectly in certain other companies which Virgin Digital Help Limited transacted business with in the period to 31 January 2011 including Virgin Enterprises Limited, Virgin Holdings Limited and Virgin Management Limited. The following transactions occurred with the aforementioned related parties in the period up to 31 January 2011:

Total interest payable to the above related parties was £Nil (2011: £62,416).

Total administration expenses payable to the above related parties were £Nil (2011: £180,634).

There were no balances held with above related parties at 31 March 2011 or 31 March 2012.

On 31 January 2011 the entire share capital of Virgin Digital Help Limited was purchased by Sutherland Global Services UK Limited, a wholly owned subsidiary of Sutherland Global Services Inc. Transactions between these parties and all other wholly owned group entities are not disclosed in line with paragraph 3 (c) of Financial Reporting Standard 8.

15. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is Sutherland Global Services UK Limited, a company incorporated in the UK. The Ultimate Controlling Party is Sutherland Global Services Inc, a company incorporated in the United States of America whose registered office is at 1160, Pittford Victor Road, Pittsford, NY 14534 who prepares consolidated accounts.