

Virgin Pulse (UK) Limited

Annual report and financial statements

Registered number 4747970

31 December 2017



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Directors' Report

The directors present their report and the financial statements for the year ended 31 December 2017.

Principal activity

The principal activity of the Company is that of an investment holdings company. The Company was dormant during the year.

Business review

The Company has net liabilities. However, as detailed in note 1 to the financial statements a parent undertaking, Virgin Group Holdings Limited, 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 the next twelve months. The directors have no reason to believe that the parent company will not be in a position to provide this support. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Results and dividends

The profit for the year, after taxation, amounted to £nil (2016: £nil).

The directors do not recommend the payment of a dividend (2016: £nil).

Directors

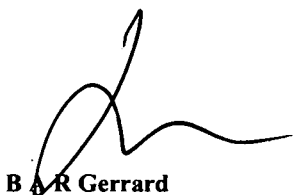
The directors who served during the year were:

R P Blok
I P Woods

For the year ended 31 December 2017, the Company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.

The members have not required the Company to obtain an audit of its accounts for the year ended 31 December 2017 in accordance with section 476.

This report was approved by the board on 13 September 2018 and signed on its behalf.



B A R Gerrard
Company Secretary
The Battleship Building
179 Harrow Road
London
W2 6NB

Statement of Directors' Responsibilities in Respect of the Directors' Report and the Financial Statements

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 they have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) adopted by the EU 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 for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the EU, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Statement of Comprehensive Income
For the year ended 31 December 2017

		2017 £000	2016 £000
	<i>Note</i>		
Administrative expenses		-	-
		<hr/>	<hr/>
Profit before taxation		-	-
Taxation	3	-	-
		<hr/>	<hr/>
Profit for the year		<hr/> <hr/>	<hr/> <hr/>
Other comprehensive income		-	-
		<hr/>	<hr/>
Total comprehensive income for the year		<hr/> <hr/>	<hr/> <hr/>

Balance Sheet
As at 31 December 2017

Registered number: 4747970

	<i>Note</i>	2017 £000	2016 £000
Non-current assets			
Investments	4	-	-
Current liabilities			
Trade and other payables	5	(23,309)	(23,309)
Net liabilities		<u>(23,309)</u>	<u>(23,309)</u>
Equity			
Share capital	7	-	-
Retained earnings		<u>(23,309)</u>	<u>(23,309)</u>
Total equity		<u>(23,309)</u>	<u>(23,309)</u>

For the year ended 31 December 2017, the Company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.

The members have not required the Company to obtain an audit of its accounts for the year ended 31 December 2017 in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements were approved and authorised by the board and were signed on its behalf on 13 September 2018.



I P Woods
Director

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

Statement of Changes in Equity
For the year ended 31 December 2017

	Share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2017	-	(23,309)	(23,309)
Comprehensive income for the year			
Profit for the year	-	-	-
Total comprehensive income for the year	-	-	-
Balance at 31 December 2017	<u>-</u>	<u>(23,309)</u>	<u>(23,309)</u>
Balance at 1 January 2016	-	(23,309)	(23,309)
Comprehensive income for the year			
Profit for the year	-	-	-
Total comprehensive income for the year	-	-	-
Balance at 31 December 2016	<u>-</u>	<u>(23,309)</u>	<u>(23,309)</u>

Cash Flow Statement

For the year ended 31 December 2017

	2017	2016
	£000	£000
Cash flows from operating activities	-	-
Net cash from operating activities	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of year	<u>-</u>	<u>-</u>
Cash and cash equivalents at end of year	<u><u>-</u></u>	<u><u>-</u></u>

1 Accounting policies

1.1 Basis of preparation of financial statements

Virgin Pulse (UK) Limited (the "Company") is a company incorporated and domiciled in the UK. The registered address is The Battleship Building, 179 Harrow Road, London, W2 6NB, United Kingdom.

The Company is subject to the small companies regime and as such exempt by virtue of s308 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs") and the Companies Act 2006.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements, and estimates with a significant adjustment in the next year are discussed in note 10.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.2 Going concern

The financial statements have been prepared on a going concern basis in view of the fact that the ultimate parent undertaking Virgin Group Holdings Limited 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 the next twelve months.

The directors have no reason to believe that the parent company will not be in a position to provide the support referred to above and, accordingly, they have prepared the financial statements on the going concern basis.

1.3 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.4 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1 Accounting policies *(continued)*

1.5 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument. In accordance with IAS 39, financial instruments are recorded initially at fair value. Subsequent measurement of those instruments at the balance sheet date reflects the designation of the financial instrument. The Company determines the classification at initial recognition and re-evaluates this designation at each reporting date.

Financial assets and liabilities are offset and the net amount presented in the Balance Sheet when the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Non-derivative financial liabilities

Non-derivative financial liabilities are initially recorded at fair value less directly attributable transaction costs and subsequently at amortised cost using the effective interest method.

The Company has the following non-derivative financial liabilities: loans and borrowings.

The Company derecognises financial liabilities when its contractual obligations are discharged, cancelled or

Where an existing financial liability is replaced by another form from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts are recognised in profit or loss.

1.6 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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 timing 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 the business combinations, when deferred tax is recognised on the differences between the fair values of the assets acquired and the future tax deductions available to 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.

Notes to the Financial Statements

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1 Accounting policies (continued)

1.7 Impairment

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 received 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.

2 Directors' remuneration

The directors did not receive any remuneration during the year for the services to the Company (2016: £nil).

3 Taxation

The tax charge for the current year is £nil (2016: £nil).

The Company has not recognised deferred tax assets in respect of gross unused tax losses of £265,193 (2016: £265,193).

4 Investments in subsidiaries

Investments in subsidiary companies £000

Cost or valuation

At 1 January 2017 and 31 December 2017

14,071

Impairment

At 1 January 2017 and 31 December 2017

14,071

Net book value

At 31 December 2017

-

At 31 December 2016

-

The Company has the following investments in subsidiaries:

	Country of registration	Principal activities	Holding %	Direct/indirect holding	Share type
Virgin Pulse Holding Company LLC (Dissolved 29 March 2018) 2711 Centreville Drive, Suite 400, Wilmington 19808, United States	USA	Investment holding company	100%	Direct	US\$ Limited Liability Company Interests
Virgin Pulse Holding Company II LLC (Dissolved 29 March 2018) 2711 Centreville Drive, Suite 400, Wilmington 19808, United States	USA	Holding company	98%	Indirect	US\$ Limited Liability Company Interests

Notes to the Financial Statements

Virgin Pulse (UK) Limited
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5 Trade and other payables

	2017 £000	2016 £000
Trade payables due to related parties	23,309	23,309
	<u>23,309</u>	<u>23,309</u>

6 Financial instruments

a. Fair value of financial instruments

All financial liabilities with their carrying amounts as shown in the balance sheet are as follows:

	Carrying amount 2017 £000	Carrying amount 2016 £000
Financial liabilities measured at amortised cost		
Trade payables due to related parties (note 5)	23,309	23,309

The carrying amounts of financial liabilities approximate their fair values.

Financial risk factors

The Company's activities expose it to a variety of financial risks, including the effects of changes in credit risk and capital risk.

The board of directors is responsible for setting the objectives and underlying principles of financial risk management for the Company.

b. Capital risk

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value by issuing or redeeming additional equity and debt instruments, or obtaining financial support from an intermediate holding corporation, when necessary.

The Company is not subject to any externally imposed capital requirements

Notes to the Financial Statements

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7 Share capital

	2017 £000	2016 £000
Allotted, called up and fully paid		
One ordinary share of £1 each	-	-

8 Related parties

As at 31 December 2017, the Company'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 are considered to give rise to related party disclosures under International Accounting Standard 24: Related Party Disclosures.

The Company has the following amount outstanding with related parties:

	2017 £000	2016 £000
Trade payables		
Virgin Investments Limited	23,309	23,309

Virgin Investments Limited is a Virgin group entity.

9 Ultimate parent undertaking and controlling party

The ultimate parent undertaking as at 31 December 2017 was Virgin Group Holdings Limited, a company incorporated in the British Virgin Islands.

10 Accounting estimates and judgements

The preparation of the financial statements in conformity with EU-IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from the estimates calculated.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no accounting policies that are considered to be critical, because they either require a significant amount of management judgement or the results are material to the financial statements.