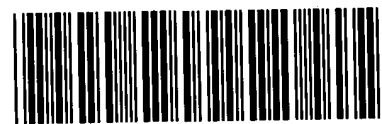




**Viapath Group LLP
Annual Report and Financial Statements
For the year ended 31 December 2015**

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COMPANIES HOUSE

**A limited liability partnership registered in England and Wales
Registered number OC337242**

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Designated Members and Advisers

Registration number: OC337242 Companies House

Registered office: VIAPATH GROUP LLP
Francis House
9 King's Head Yard
London
SE1 1NA

Designated members: Pathology Services Limited (registered number 06593374)
Serco Limited (registered number 00242246)
KCH Commercial Services Limited (registered number 06023863)

Bankers: HSBC Bank plc
Regional Service Centre Europe
PO Box 125
62-76 Park Street
London
SE1 9DZ

Auditors: Deloitte LLP
2 New Street Square,
London,
EC4A 3BZ

Summary Information

for the 12-month period to 31st December 2015

About us

Since our inception in 2009, Viapath has been a leading UK provider of pathology services to the NHS and private healthcare market. We employ over 1,000 scientists and other employees and provide one of the widest pathology test repertoires in the UK. Viapath has world-renowned specialist laboratories at the leading edge of innovation supporting cancer care, genomics and transplant medicine. Each year the business undertakes 26 million tests and reinvests millions of pounds in growth, modernisation, training and development, and innovation.

Group Structure

Viapath Group LLP is the majority stake-holding partner of Viapath Analytics LLP and Viapath Services LLP. Minority partners of these subsidiary companies are Serco Ltd, KCH Commercial Services Ltd (KCS) and Pathology Services Ltd (PSL). Serco Ltd, KCS and PSL hold an equal share in Viapath Group LLP being one third each. Serco Ltd, KCS and PSL together make up the Members of Viapath consolidated group partnerships, "The Group".

The consolidated financial statements of The Group include the balances of Viapath Analytics LLP (VA) registration number OC392043 and Viapath Services LLP (VS) registration number OC392044. Viapath Group LLP has guaranteed the liabilities of VA and VS under Section 479A and C of the Companies Act 2006 (as Amended). As such VA and VS are exempted from audit of VA and VS financial statements for the financial year 2015.

Financial Highlights

	2015	2014
Revenue (£ '000)	97,251	97,058
Operating profit for the financial year (£ '000)	1,706	4,076
Total assets (£ '000)	45,632	37,471
Return on capital employed (EBIT/total Assets)	4%	11%

There has been a marginal increase in revenue during 2015 when compared to 2014. This was due to the successful introduction of new tests during the year and some third party contract wins with new customers, offset by lost work of some other customers. The Group's like-for-like decrease in operating profit from £4m to £1.7m was due, in part, to an increase in irrecoverable VAT costs following the group restructure on 1st January 2015.

The business has maintained its investment programme which is reflected in the increase in total assets. Capital expenditure for the Group focused on improvements in our Laboratory Information Management Systems (LIMS) as well as three new mass spectrometers, voice recognition software and refurbishment of our central specimen reception at King's College Hospital.

Viapath is proud to be supporting its partners in the 100,000 genomes project, a nationally important project to sequence 100,000 genomes of NHS patients with rare diseases or suffering from cancer.

Strategic Report

for the 12-month period to 31st December 2015

This Strategic report has been prepared solely to provide additional information to assess the partnership's strategies and the potential for those strategies to succeed.

The Strategic report contains certain forward-looking statements. These statements are made by the Members in good faith based on the information available to them up to the time of their approval of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

The Members in preparing this Strategic report have complied with s414C of the Companies Act 2006.

Business review and future developments

Business Changes

Following the rebranding in 2014 Viapath undertook a major transformational change through establishing two subsidiary companies; Viapath Services LLP and Viapath Analytics LLP. Each partnership is established for a specific purpose. Viapath Services offers a managed laboratory service for customer pathology tests while Viapath Analytics provides the technical operation and analysis of tests for customers. Our major contracts with Guy's St Thomas', King's College Hospital and Bedford each contract with both partnerships.

As part of the transformational change, smaller contracts with hospitals across the country and in Scotland and Ireland transferred from Guy's St Thomas' and King's to Viapath Analytics. As such Viapath's consolidated receivables profile has changed.

The transformational change transferred staff from employment with Guys St Thomas' and King's College Hospital to Viapath Services and Viapath Analytics under Protected Employment rights (TUPE). This has resulted in Viapath's consolidated accounts showing contracted staff rather than seconded staff as in prior years.

Year End Results

The results for the year ended 31st December 2015 as shown in the primary statements from page 13 to 16, while the notes supporting the statements are shown from page 17. The Members believe that these results appropriately reflect Viapath activities during the year.

A summary of key financial results is set out in the table below and discussed in this section.

	Revenue		Gross profit percentage		Operating profit	
	2015 £ '000	2014 £ '000	2015 %	2014 %	2015 £ '000	2014 £ '000
Continuing operations	97,251	97,058	20.8	27.7	1,706	4,076

An increase in revenue of £0.2m across 2015 has been delivered against the challenging backdrop our NHS customers continue to face. Viapath achieved the increase through making efficiency savings and absorbing costs rather than passing these through to customers. Our competitive pricing and working with partner organisations to optimise test ordering for improved patient care also had an effect on test growth. Cost of sales increased by nearly £7m up 10% from 2014 figures due to an increasing proportion of more expensive tests being conducted and the effect of irrecoverable VAT increase as a result of restructuring. Viapath were able to control administrative expenses reducing these by £2.6m, down 12.6% on prior year.

Capital Expenditure

In 2015, Viapath continued to deliver improvements to the infrastructure that supports our test repertoire. Our major programme of investment over 2015 and into 2016 is the development and roll out of IT infrastructure to enable improved test recording, monitoring and tracking. Our Viapath Integration Engine has enabled rapid connectivity for all types of reporting mechanisms providing test results for GPs across the country. This development has allowed a best in class service without the prohibitive costs of system alterations for our customers. Beginning in 2015, and expected to continue for at least 2 years, is our Laboratory Information Management System upgrade. The improvements to operational capability are expected to provide standardisation across our sites that pave the way to efficiencies and ultimately a better service for our customers. Capital expenditure during 2015 included equipment for analysing test results such as improved mass spectrometers.

Staff

Staff turnover in the 12 months to 31 December 2015 maintained the same turnover rate as 2014 at 16%. This has stabilised from the high rates of staff turnover we saw in 2013, demonstrating the effectiveness of staff engagement programmes such as the 'One Organisation' programme.

Principal risks and uncertainties**Interest rate risk**

Viapath is exposed to interest rate risk on funding from its members. As at 31 December 2015, Viapath had drawn down loans totalling £14.3m (2014: £14.3m) from its members. Of the balance £12.2m relates to cash repayments while the remaining £2.1m related to stock transfer balance. Interest is paid on member loans at 2% above LIBOR relating to three month deposits. There are no other significant borrowings or bank overdrafts.

Credit risk

Viapath's principal financial assets are trade and other receivables. In 2015 Viapath assumed contracts that in prior years were managed by our partner organisations. As a result the organisation is carrying a higher debtor balance in comparison to previous years. The Members do not consider that Viapath is exposed to significant credit risk, on the basis that the three main customers account for the large majority of receivables and are renowned NHS Foundation Trusts. The Trusts are independently regulated by NHS Improvement and are largely government funded.

NHS Improvement authorises and regulates NHS foundation trusts and supports their development, ensuring they are well-governed and financially robust while also overseeing performance management of NHS trusts providing support to help them improve the quality and sustainability of their services. The Members monitor public information on the risk ratings of its principal customers.

Viapath trades with its designated members and creditworthy third parties. It is the organisation's policy that, as deemed appropriate, clients and customers are subject to credit vetting procedures. During the accounting year, Viapath had three major public sector customers and a number of smaller public sector and commercial customers.

Liquidity risk

Viapath has received funding from its members and has no other significant borrowings. The partnership continues to benefit from the joint support of its members. Adequate funds are provided by the members through a combination of loan funding and working capital management. The Members, therefore, do not consider that Viapath is exposed to significant liquidity risk.

Corporate governance**Overview**

The board structure in 2015 comprised of the Members' Board, Operating Board and three sub-committees of the Operating Board being the Audit Committee, Remuneration Committee and the Governance, Risk and Quality Committee.

Members' Board

The Members' Board oversees the strategic direction of the business, takes decisions on items reserved for unanimous member approval and ensures accountability to investors. It meets at least once every six months. The meeting is chaired by the independent chairman of Viapath and attendees are individuals from each of the members of Viapath. Representatives of the Viapath Executive team and the Viapath company secretary also attend but do not have voting rights.

The Board has agreed the specific business and governance matters that are reserved for its decision to help it discharge its responsibilities and oversee Viapath's affairs. These matters include:

- annual objectives, budget and forecast;
- monitoring delivery of Viapath's strategy and objectives;
- profit sharing agreements;
- annual report and accounts;
- overall system of internal control and risk management;
- major capital projects;
- communications policy;
- changes to the structure, size and composition of the board;
- appointment of executive officers; and,
- material changes to pension plans or the introduction of new schemes.

Certain specific responsibilities are delegated to the Operating Board and to board committees, notably the Audit and Remuneration committees, which operate within clearly defined terms of reference and are described below.

Operating Board

The Operating Board is accountable to the members and meets monthly. It reviews the monthly performance of the business, cost improvement plans, clinical engagement, investments and significant new business opportunities. The meeting is chaired by the independent chairman of Viapath and attendees are individuals from each of the members of Viapath. Representatives of the Viapath executive team and the Viapath company secretary also attend but do not have voting rights.

Operating Board sub-committees**Remuneration Committee**

The Remuneration Committee is a standing sub-committee of the Operating Board. It meets at least once a year and reviews the remuneration arrangements including salary and benefits for the Viapath executive team. The meeting is chaired by the independent chairman of Viapath and attendees represent each of the members. The Viapath company secretary also attends.

Audit Committee

The Audit Committee is a standing sub-committee of the Operating Board. It meets at least twice a year to review the financial risk, control and assurance processes, audit compliance and the corporate risk register. The Committee also reviews and approves the statutory accounts. The meeting is chaired by the independent chairman of Viapath and attendees represent each of the members. The Viapath company secretary also attends.

Governance, Risk and Quality Committee

The Governance, Risk and Quality Committee is a standing sub-committee of the Operating Board. It supports the Board in gaining reasonable assurance that Viapath has unified and effective structures for clinical governance, quality and the related aspects of risk management and assurance to support the organisation's programme for quality improvement and safety. The meeting is chaired by the independent chairman of Viapath and attendees represent each of the members. The Viapath company secretary also attends.

Change in Board Structure from November 2015

In November 2015 it was agreed to combine the functions, accountabilities and responsibilities of the Members Board and the Operating Board into a unitary Board, with effect from January 2016. The unitary Board will meet monthly. The meeting will be chaired by the independent chairman of Viapath and attendees are individuals from each of the members of Viapath. Representatives of the Viapath executive team and the Viapath company secretary also attend but do not have voting rights.

Chairman and Chief Executive Officer

The Chairman is responsible for the operation and leadership of the Board, ensuring its effectiveness and setting its agenda. Throughout 2015, the Viapath Chairman was Christopher Baker MBE. The Chief Executive Officer, Richard Jones, is responsible for leading and managing Viapath's business within the authorities delegated by the Board and implementing board strategy and policy.

Going concern

The financial position of Viapath is shown on the statement of financial position on page 14 and its cash flows are described in the statement of cash flows on page 16 of the financial statements. The liquidity and financial risk are described above and in addition, note 17 of the financial statements provides details of Viapath's objectives, policies and processes for managing its capital and details of its financial instruments.

On 1 January 2015, Viapath underwent a major corporate restructure. Viapath Group LLP continues to play a strategic role in the direction of the Viapath group's business. As such the going concern is reviewed for the consolidated group. A high proportion of Viapath's expenditure and over 90% of Viapath's forecast revenue is fixed and secured through long term contracts. The contracts with Guy's and St Thomas' NHS Foundation Trust (GSTT) and King's College Hospital NHS Foundation Trust (KCHT) have been agreed up to 2020. The Members, who are also the primary suppliers of funding to the business, have made available to Viapath a committed loan facility of £14.3m. Management are committed to driving financial and operational improvements to deliver further sustainable profit enhancements. Members have agreed to re-phase loan repayments in tranches payable during 2017, 2018 and 2019 (see note 17).

Viapath has financial resources available through both formal and informal funding from its members. The financial plan for the Group forecasts that it will generate cash in excess of its operational and investment requirements. Given the continuing support of the members, no further internal or external capital funding is expected to be required to maintain the Group's business operations.

As part of organisation's overall rebranding of its services, Viapath had always planned to change its corporate structure. Viapath had engaged with HMRC and had received HMRC's clearance for the planned structure that took effect on 1 January 2015. Within this structure Viapath Group LLP will continue to be central to the provision of services. The Members have assessed the effect of irrecoverable VAT on Viapath's cash flows, together with the ongoing costs introduced by the new structure and are satisfied that the cash impact will be absorbed without materially impacting the performance or prospects of the Group.

As a consequence of these factors, the Members believe that the Group continues to be well placed to manage its business risks and continue as a going concern. The Members have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the report and financial statements.

Approved by the Members and
signed on behalf of the Members



Colin Gentile
Director of Finance Kings College Hospital NHS Foundation Trust.

28/9/16

Statement of Members' Responsibilities

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

The Limited Liability Partnerships (Accounts & 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 IFRSs as adopted by the European Union. The financial statements are also required by law to be prepared in accordance with the Companies Act 2006, as applicable to limited liability partnerships.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the firm's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. However, members are also required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information; and
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.

The members are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the firm and enable them to ensure that the financial statements comply with the Companies Act 2006, as applicable to limited liability partnerships. They are also responsible for safeguarding the assets of the firm and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The members are responsible for the maintenance and integrity of the corporate and financial information included on the firm's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

These responsibilities are exercised by the Board on behalf of the members.

A handwritten signature in black ink, consisting of stylized, overlapping loops and a long horizontal stroke extending to the right.

Members' Report

For the period 1 January 2015 to 31 December 2015

Viapath Chairman

In December 2015, Christopher Baker MBE moved on from his position as Chairman of the Group. Christopher successfully chaired the group through a very successful period for Viapath, including the rebranding from GSTS to Viapath and the restructure of the group into three companies during 2014 and 2015. It is clear that Christopher has left the Group in a stronger position than when he joined. The members, senior management and all the staff at Viapath would like to express their thanks to Christopher for his work in helping to mature the organisation into business it is today.

In January 2016, Dr David Bennett took over the Group's Chairmanship. David, the former head of NHS Foundation Trust regulator Monitor, has a doctorate in Nuclear Physics from Oxford University and was a research scientist at Shell before spending eighteen years at McKinsey & Co. Prior to his appointment as Chair and CEO at Monitor, he was Head of the Downing Street Policy Unit under Prime Minister Tony Blair.

David's appointment is central to the vision of delivering high quality pathology services and diagnostics for patients at our partner hospital sites and at hospitals across the UK. David's extensive policy experience and time within the NHS will provide invaluable support for management and the members in taking forward Viapath's vision at a challenging time for our NHS customers.

The Viapath CEO, Richard Jones welcomed David saying: *"I am delighted that David has agreed to lead our board as he brings all the insights and capability needed to support Viapath's strategic drive for innovation and growth."*

David Bennett said: *"Viapath has shown that it is possible to bring together the very best innovations in science of our leading NHS teaching hospitals, with commercial leadership and delivery capability from the private sector. Viapath has a great opportunity to grow in partnership with the NHS for the benefit of patients, taxpayers and shareholders alike."*

Independent auditors report to the members of Viapath Group LLP

We have audited the parent and consolidated financial statements of Viapath Group LLP for the year ended 31st December 2015 which comprise the Viapath Group LLP consolidated Statements of Comprehensive Income, Balance Sheets, Cash Flow Statement, and Statements of Changes in Equity and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 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. Our audit work has been undertaken so that we might state to the limited liability partnership'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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditor

As explained more fully in the Members' Responsibilities Statement, 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

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 group's and the parent limited liability partnership's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the designated members; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 group's and of the parent limited liability partnership's affairs as at 31st December 2015 and of the group's and the parent limited liability partnership's profit for the year then ended; have been properly prepared in accordance with IFRSs as adopted by the European Union; and have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

Separate opinion in relation to IFRSs as issued by the IASB

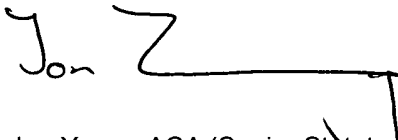
As explained in Note 1 to the financial statements, the group in addition to applying IFRSs as adopted by the European Union, has also applied IFRSs as issued by the International Accounting Standards Board (IASB).

In our opinion the financial statements comply with IFRSs as issued by the IASB.

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 by the parent limited liability partnership, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent limited liability partnership 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.

A handwritten signature in black ink, appearing to read 'Jon' followed by a stylized 'Z' and a horizontal line.

Jon Young ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

28 September 2016

STATEMENT OF COMPREHENSIVE INCOME

For the period to 31 December 2015

Continuing Operations	Notes	Consolidated 2015 £ '000	Group 2015 £ '000	Consolidated 2014 £ '000
Revenue	3	97,251	9,940	97,058
Cost of Sales		(76,996)	(8,694)	(70,211)
Gross Profit		20,255	1,246	26,847
Administrative Expenses		(18,549)	(865)	(21,214)
One-Off Costs		-	-	(1,557)
Operating Profit		1,706	381	4,076
Finance income	7	21	21	26
Finance costs	7	(328)	(324)	(389)
Profit for the year available for discretionary division among members		1,399	78	3,713
Total comprehensive income for the year attributable to members		1,399	78	3,713

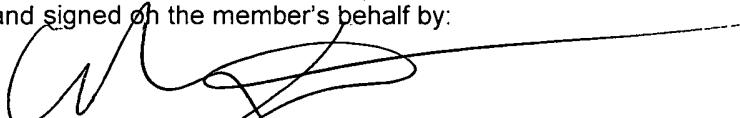
STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

		Consolidated 2015 £ '000	Group 2015 £ '000	Consolidated 2014 £ '000
	Notes			
Assets				
Intangible Assets	8	9,413	38	8,198
Property plant and Equipment	9	5,734	138	5,240
Trade and other Receivables	10	955	955	1,396
Total non-current assets		16,102	1,131	14,834
Current assets				
Inventories	11	3,330	1	3,013
Trade and other receivables	10	18,926	33,306	13,005
Cash and cash equivalents	12	7,274	2,110	6,619
Total Current Assets		29,530	35,417	22,637
Total Assets		45,632	36,548	37,471
Equity and liabilities				
Equity attributable to members				
Members' capital	14	3,331	3,331	3,331
Other reserves	14	884	(437)	(515)
Total Equity		4,215	2,894	2,816
Non-current liabilities				
Loans and other debts due to members	14	14,271	14,271	14,271
Trade and other payables	13	32	8,000	95
Total non-current liabilities		14,303	22,271	14,366
Current liabilities				
Trade and other payables	13	27,114	11,383	20,289
Total current liabilities		27,114	11,383	20,289
Total liabilities		41,417	33,654	34,655
Total equity and liabilities		45,632	36,548	37,471

The Consolidated financial statements include the balances of Viapath Analytics LLP (VA) registration number OC392043 and Viapath Services LLP (VS) registration number OC392044. Viapath Group LLP has guaranteed the liabilities of VA and VS under Section 479A and C of the Companies Act 2006 (as Amended). As such VA and VS are exempted from audit of VA and VS financial statements for the financial year 2015.

The accompanying notes are an integral part of this statement of financial position
The Consolidated financial statements of the Group and Viapath Group LLP financial statements registration number OC337242 were approved by the members and authorised for issue on 28th September 2016 and signed on the member's behalf by:



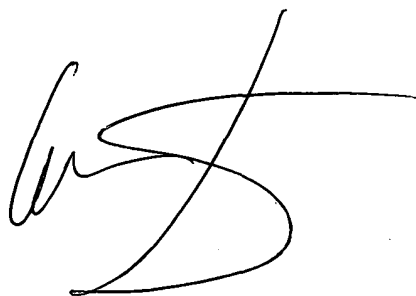
Colin Gentile, Director of Finance, Kings College Hospital NHS Foundation Trust.
Approved by the Members and
Signed on behalf of the Members

STATEMENT OF CHANGES IN EQUITY**Consolidated**

	Members Capital £ '000	Other Reserves £ '000	Total £ '000
Balance at 1 January 2014	3,331	(4,228)	(897)
Total comprehensive income 2014	-	3,713	3,713
Balance at 1 January 2015	3,331	(515)	2,816
Total comprehensive income 2015	-	1,399	1,399
Balance at 31 December 2015	3,331	884	4,215

Group

	Members Capital £ '000	Other Reserves £ '000	Total £ '000
Balance at 1 January 2014	-	-	-
Total comprehensive income 2014	-	-	-
Balance at 1 January 2015	3,331	(515)	2,816
Total comprehensive income 2015	-	78	78
Balance at 31 December 2015	3,331	(437)	2,894



STATEMENT OF CASH FLOWS
For the period ended 31 December 2015

	Notes	Consolidated 2015 £ '000	Consolidated 2014 £ '000
Cash flow from operating activities			
Profit/(loss) for the period		1,399	3,713
Profit/loss on disposal of non-current assets		-	12
Other finance charges		9	8
Amortisation	8, 10	2,794	2,539
Depreciation	9	1,386	1,189
Interest Received	7	(21)	(26)
Interest Paid	7	319	381
Intangible Impairment	8	152	114
Property, plant and equipment impairment		-	-
(Increase) in inventories		(317)	(873)
(Increase)/decrease in receivables		(5,921)	1,224
Increase/(decrease) in payables		6,763	(1,156)
Net cash from operating activities		6,563	7,125
Cash flows from investing activities			
Purchase of property, plant and equipment	9	(1,880)	(2,592)
Purchase of intangibles	8	(3,722)	(2,772)
Purchase of other non-current assets		-	-
Net cash from investing activities		(5,602)	(5,364)
Cash flows from financing activities			
Interest Paid to Members		(318)	(1,078)
Other finance income	7	21	26
Other finance charges	7	(9)	(8)
Net cash from financing activities		(306)	(1,060)
Net increase/(decrease) in cash and cash equivalents		655	701
Cash and cash equivalents at beginning of year		6,619	5,918
Cash and cash equivalents at end of the year		7,274	6,619

Notes to the Financial Statements

1. ACCOUNTING POLICIES

The principal accounting policies are set out below and have been applied consistently throughout the current and preceding year.

Going concern

Viapath's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report.

The Members have a reasonable expectation that Viapath has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the report and financial statements.

Basis of accounting

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and under the historical cost convention.

The financial statements are presented in sterling, rounded to the nearest £1,000 on the historical accrued cost basis and adopting the accounting policies presented herein.

Adoption of new and revised standards

The following new and revised Standards and Interpretations have been adopted by Viapath in the current year. Their adoption has not had any significant impact on the amounts reported in these financial statements.

- IAS 1 Disclosures. Viapath has adopted the amendment in the presentation of its accounts.
- IFRS 10, 12, IAS 28 Applying the consolidation exception.
- IAS 16, 38 clarification of acceptable methods of depreciation and amortisation adopted – Viapath does not use the revenue based method for calculating consumption or depreciation of an asset.

The members do not expect that the adoption of the Standards and Interpretations listed above will have a material impact on the financial statements of Viapath in future periods.

Basis of translation of foreign currencies

Transactions in currencies other than pounds sterling are recorded at the rates of exchange on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are re-translated at the rates prevailing on the balance sheet date. Gains and losses arising on re-translation are included in the statement of comprehensive income for the year.

Revenue

Revenue is measured at fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

Taxation

The status of a Limited Liability Partnership is such that it is transparent for Corporation Tax. The liability for taxation on Viapath profits falls on the Members, and is not dealt with in these financial statements.

ACCOUNTING POLICIES (continued)**Members' remuneration**

Remuneration to members that is paid under service agreements, or other payments, which represent a liability of the entity not arising from a division of profits, are either expensed to the income statement or capitalised depending on the nature of the transaction and are disclosed within the related party note.

Profit shares, which have not been allocated until after the balance sheet date, are treated in these financial statements as unallocated at the balance sheet date and included within other reserves.

Intangible assets

Costs are capitalised as an intangible asset only if all of the following conditions are met:

- an asset is created that can be identified;
- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Expenditure is amortised over the shorter of the period of the value in use or the assets expected useful life. Where appropriate, provision is also made for any impairment. All other development expenditure is written off as incurred.

Assets under construction are stated at cost and are not amortised until the asset is completed and placed in service.

Laboratory information system software is typically amortised on a straight line basis at the rates of 10% - 14% per annum over the life of the contract or licence. An annual review of intangible assets is undertaken to review each asset value in use (detail below).

Property, plant and equipment

Property, plant and equipment are stated at cost, net of depreciation and any provision for impairment. Viapath does not own any property and leases the buildings which house its operations.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit and loss.

Depreciation is provided on all property, plant and equipment on a straight-line basis at rates that reduce the assets to their residual value over their estimated useful lives.

The principal annual rates used are:

Plant and equipment	10% - 33%
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Impairment of property, plant and equipment and intangible assets

At each balance sheet date, Viapath reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately as an expense in profit and loss.

ACCOUNTING POLICIES (continued)**Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Assets held under finance leases are recognised as assets at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss.

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease.

Financial assets

Financial assets are classified as loans and receivables. Loans and receivables have fixed or determinable payments that are not quoted in an active market.

Financial assets include cash and cash equivalents, trade receivables, other debtors and amounts owed by members. Viapath determines the classification of its financial assets at initial recognition and they are initially recorded at fair value.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that Viapath will not be able to collect all amounts due according to the original terms of the contract. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that a trade receivable is impaired. The amount of the provision is based on management's best estimate of the likelihood of the recoverable amount. The carrying amount of the asset is reduced through the use of an impairment provision account and the amount of the loss is recognised in the income statement within administrative expenses. When a trade receivable is uncollectible, it is written off against the impairment provision account for trade receivables. Subsequent recoveries of amounts previously written off are credited against administrative expenses.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and demand deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and have a maturity of three months or less.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average cost basis. Net realisable value represents the value to the business in use.

Financial liabilities

Viapath determines the classification of its financial liabilities at initial recognition. Financial liabilities include trade payables, loans due to members and other amounts due to members. Trade payables are initially recognised at fair value and subsequently at amortised cost.

Loans due to members

Loans are recognised at the value of proceeds received. Finance charges are recognised in the profit and loss account on an accrual basis. Member's loans carry a variable interest rate based on LIBOR plus agreements.

ACCOUNTING POLICIES (continued)**Financial liabilities and equity**

Debt and equity instruments are classified as either financial liabilities or equity in accordance with the substance of the contractual arrangement.

Pension costs: defined contribution schemes

Contributions for the period in respect of defined contribution schemes are charged to the profit and loss account as they fall due. Differences between charges accruing during the year and cash payments are included as either accruals or prepayments in the balance sheet.

Critical accounting estimates and key sources of estimation

In the process of applying Viapath's accounting policies which are described in this note, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements.

Contract costs

All bid costs are expensed through the income statement up to the point where contract award (or full recovery of costs) is virtually certain. Bid and transition costs incurred after this point are then recognised within trade and other receivables as amounts recoverable on contracts. Bid costs are expensed on a straight-line basis on award of contract over the life of the contract. Transition costs are expensed on a straight-line basis on successful completion of the project over the contract period. Detailed contract forecasts are prepared to determine whether the assets are recoverable and an asset is only recognised where it is determined that the costs are fully recoverable. The Members are confident that the carrying amount of the assets will be recovered in full.

2. OPERATING SEGMENT

The LLP's operations relate to delivering pathology services within the United Kingdom. As such the LLP does not disclose operating segment information. The Board is the chief operating decision maker.

3. REVENUE

The revenue of the LLP is principally derived from the provision of pathology services to health organisations. Our main customers are Guy's and St Thomas' Hospital NHS Foundation Trust (GSTFT), King's College Hospital NHS Foundation Trust (KCHT) and to Bedford Hospital NHS Trust (BHT).

4. MEMBERS' REMUNERATION CHARGED AS AN EXPENSE AND SHARE OF PROFITS

All outflows of benefits to members are treated as members' remuneration. No remuneration was paid to members under an employment contract in the current or prior year.

Distributable profits are divided among the members in accordance with agreed profit sharing arrangements.



5. OPERATING PROFIT

	Consolidated 2015 £ '000	Group 2015 £ '000	Consolidated 2014 £ '000
Is stated after charging:			
Amortisation of amounts recoverable on contracts	441	441	441
Amortisation of intangible assets	2,353	-	2,098
Rentals under member's agreements:			
- Land and buildings	445	445	2,860
- Plant and machinery	941	212	1,661
Depreciation on equipment	1,386	60	1,189
Fees paid to Deloitte LLP for audit services	50	50	42
Trade receivables impairment	250	2	(242)
Intangible impairment	152	-	-
Restructuring costs	-	-	1,557
Restructuring costs comprised:			
Legal costs	-	-	190
Consultancy	-	-	125
Human resources	-	-	184
Systems development	-	-	183
Serco rebate	-	-	857
Other	-	-	18
Total	-	-	1,557

6. STAFF COSTS

	Consolidated 2015 £ '000	Group 2015 £ '000	Consolidated 2014 £ '000
Employee costs excluding members:			
Wages and salaries	38,881	4,182	17,043
Social security costs	3,731	481	1,731
Other pension costs	3,434	385	1,118
Total staff costs	46,046	5,048	19,892
Seconded staff (under Retention of Employment arrangements)	-	-	24,816

The average numbers of employees were as follows:

	Consolidated 2015	Group 2015	Consolidated 2014
Scientific and Operational	938	13	439
Administrative and Clerical	96	72	103
Total	1,034	85	542
Seconded staff	-	-	485

On January 1st 2015 the majority of staff that were seconded under contract to Viapath, permanently moved under Transfer Under Protected Employment (TUPE) regulations to become Viapath employees.

7. FINANCE INCOME AND FINANCE COSTS

	Consolidated 2015 £ '000	Group 2015 £ '000	Consolidated 2014 £ '000
Interest on bank deposits	21	21	26
Total finance income	21	21	26
Interest payable to members	319	319	381
Finance lease interest	4	-	6
Other	5	5	2
Total finance costs	328	324	389

8. INTANGIBLE ASSETS

	Group Assets under construction £ '000	Group Intangibles £ '000	Group Total £ '000	Consolidated Assets Under Construction £ '000	Consolidated Intangibles £ '000	Consolidated Total £ '000
Cost						
At 31 December 2013	700	10,044	10,744	700	10,044	10,744
Additions during the year	2,281	377	2,658	2,281	377	2,658
Transfer	(568)	568	-	(568)	568	-
At 31 December 2014	2,413	10,989	13,402	2,413	10,989	13,402
Additions during the year	38	7	45	3,688	34	3,722
Transfer	-	-	-	(2)	2	-
Impairment	-	-	-	-	(199)	(199)
Disposals	(2,413)	(10,996)	(13,409)	-	(2)	(2)
At 31 December 2015	38	-	38	6,099	10,824	16,923
Accumulated amortisation						
At 31 December 2013	-	(3,106)	(3,106)	-	(3,106)	(3,106)
Charge for the year	-	(2,098)	(2,098)	-	(2,098)	(2,098)
At 31 December 2014	-	(5,204)	(5,204)	-	(5,204)	(5,204)
Charge for the year	-	-	-	-	(2,353)	(2,353)
Impairment	-	-	-	-	47	47
Disposals	-	5,204	5,204	-	-	-
At 31 December 2015	-	-	-	-	(7,510)	(7,510)
Net book value						
At 31 December 2014	2,413	5,785	8,198	2,413	5,785	8,198
At 31 December 2015	38	-	38	6,099	3,314	9,413

On 1.1.2015 Viapath Group LLP transferred the majority of the non-current assets under its control to Viapath Services LLP. The transfer was made at the assets Net Book Value.

9. PROPERTY, PLANT AND EQUIPMENT

	Consolidated 2015 £ '000	Group 2015 £ '000	Consolidated 2014 £ '000
Cost			
At 1 January	10,700	10,700	8,177
Additions during the period	1,880	373	2,592
Disposals	-	(10,812)	(69)
Impairment	-	-	-
At 31 December	12,580	261	10,700
Accumulated depreciation			
At 1 January	(5,460)	(5,460)	(4,328)
Charge for the period	(1,386)	(60)	(1,189)
Disposals	-	5,397	57
At 31 December	(6,846)	(123)	(5,460)
Net book value			
At 31 December	5,734	138	5,240
		2015	2014
		£ '000	£ '000
Net book value of finance lease assets		79	132
Capital expenditure commitments made		528	212

On 1.1.2015 Viapath Group LLP transferred the majority of the non-current assets under its control to Viapath Services LLP. The transfer was made at the assets Net Book Value.

10. TRADE AND OTHER RECEIVABLES

Trade and other receivables falling due within one year:

	Consolidated	Group	Consolidated
	2015	2015	2014
	£ '000	£ '000	£ '000
Trade receivables	5,766	46	1,887
Impairment of Trade receivables	(294)	(46)	(44)
Total trade receivables	5,472	-	1,843
Other amounts recoverable on contracts	441	441	441
Amounts owed by members (note 14)	11,001	1,374	9,228
Other receivables	96	68	103
Prepayments and other accrued income	1,916	1,581	1,390
Intercompany Debtors	-	29,842	-
Total receivables falling due within 1 year	18,926	33,306	13,005

Ageing of past due receivables before impairment

	Consolidated	Group	Consolidated
	2015	2015	2014
	£ '000	£ '000	£ '000
Not overdue	3,973	-	1,474
30 – 60 days	608	-	334
61 – 90 days	8	-	35
91 – 120 days	402	-	-
Over 120 days	775	46	44
Total	5,766	46	1,887

Movement in trade receivables impairment provision

	Consolidated	Group	Consolidated
	2015	2015	2014
	£ '000	£ '000	£ '000
Balance as at 1 January	44	44	300
Increase/(Decrease) in Impairment Provision	250	2	(242)
Utilised as write off/(back)	-	-	(14)
Balance as at 31 December	294	46	44

b) Trade and other receivables falling due after one year

	Consolidated	Group	Consolidated
	2015	2015	2014
	£ '000	£ '000	£ '000
Amounts recoverable on contracts	955	955	1,396
Total receivables falling due after 1 year	955	955	1,396

Amounts recoverable on contracts relate to pre-contract and transition costs incurred on the GSTT, King's and Bedford contracts. These costs have been recognised in accordance with the accounting policy as set out in the Significant Accounting Policies – Contracts note on page 20 of these accounts. The Members estimate that the carrying amount of trade receivables approximates their fair value.

11. INVENTORIES

	Consolidated	Group	Consolidated
	2015	2015	2014
	£ '000	£ '000	£ '000
Stock ready for use by the business	3,330	1	3,013
Net realisable value of stock as at 31 December	3,330	1	3,013

Inventories represent reagents, stains and other materials consumed in the pathology testing process. The Members estimate that the carrying amount of inventories approximates their fair value. No inventories have been pledged as security.

12. CASH AND CASH EQUIVALENTS

	Consolidated	Group	Consolidated
	2015	2015	2014
	£ '000	£ '000	£ '000
Cash at bank and in hand	7,274	2,110	6,619
Cash and cash equivalents	7,274	2,110	6,619

13. TRADE AND OTHER PAYABLES

a) Trade and other payables falling due within one year:

	Consolidated	Group	Consolidated
	2015	2015	2014
	£ '000	£ '000	£ '000
Trade payables	9,646	4,137	6,675
Amounts owed to members	7,426	93	10,008
Other taxes and social security	1,443	153	920
Accruals	2,616	748	2,373
Deferred income	5,983	9	-
Intercompany Creditor	-	6,243	313
Total payables falling due within 1 year	27,114	11,383	20,289

Amounts owed to members are due within 30 days of the balance sheet date and do not bear interest.

b) Trade and other payables falling due after one year:

	Consolidated	Group	Consolidated
	2015	2015	2014
	£ '000	£ '000	£ '000
Finance lease creditor	32	-	95
Intercompany Creditor	-	8,000	-
Total payables falling due after one year	32	8,000	95

14. MEMBERS' INTEREST**Consolidated**

	Members' capital	Other reserves	Loans and other debts due to members	Total
	£ '000	£ '000	£ '000	£ '000
Balance at 1 January 2013	3,331	(4,228)	14,271	13,374
Loans introduced from members	-	-	-	-
Profit for the financial period available for discretionary division among members	-	3,713	-	3,713
Balance at 1 January 2014	3,331	(515)	14,271	17,087
Loans repaid to members	-	-	-	-
Profit for the financial year available for discretionary division among members	-	1,399	-	1,399
Balance at 31 December 2015	3,331	884	14,271	18,486

Group

	Members' capital	Other reserves	Loans and other debts due to members	Total
	£ '000	£ '000	£ '000	£ '000
Balance at 1 January 2013	3,331	(4,228)	14,271	13,374
Loans introduced from members	-	-	-	-
Profit for the financial period available for discretionary division among members	-	3,713	-	3,713
Balance at 1 January 2014	3,331	(515)	14,271	17,087
Loans repaid to members	-	-	-	-
Profit for the financial year available for discretionary division among members	-	78	-	78
Balance at 31 December 2015	3,331	(437)	14,271	17,165

15. RELATED PARTY TRANSACTIONS

During the year, as part of its normal business operations, the LLP entered into a substantial number of transactions with its members; Guy's and St Thomas' NHS Foundation Trust, King's College Hospital NHS Foundation Trust and Serco Limited.

Trading transactions

During the year ended 31 December 2015, the LLP entered into the following trading transactions with its members:

Related party	Sales 31 Dec 2015 £ '000	Purchases 31 Dec 2015 £ '000	Amounts owed from related party at 31 Dec 2015 £ '000	Amounts owed to related party at 31 Dec 2015 £ '000
Guy's and St Thomas' NHS Foundation Trust	50,508	6,743	4,640	3,183
Serco Limited	-	496	37	174
King's College Hospital NHS Foundation Trust	25,972	3,358	6,324	4,002
Total	76,480	10,597	11,001	7,359

Related party	Sales 31 Dec 2014 £000	Purchases 31 Dec 2014 £000	Amounts owed from related party at 31 Dec 2014 £000	Amounts owed to related party at 31 Dec 2014 £000
Guy's and St Thomas' NHS Foundation Trust	49,986	22,589	4,689	5,470
Serco Limited		1,329	154	1,004
King's College Hospital NHS Foundation Trust	30,523	15,343	3,324	2,996
Total	80,509	39,261	8,167	9,470

Material related party transactions can be summarised as follows:

Guy's and St Thomas' NHS Foundation Trust:

Under the contracts with Guys and St Thomas' NHS Foundation Trust (GSTT) Viapath provides a full range of laboratory and pathology services to GSTT: amounts invoiced in the year were £51m (2014: £50m).

Secondment agreements for staff with GSTT ceased on 31st December 2014, the majority of the affected staff transferred to Viapath employment under TUPE arrangements. Invoices from GSTT to Viapath therefore reduced to £6.7m from £22.6m in 2014. These charges are made under Trust Services Agreements (TSAs) between GSTT and Viapath.

An interest charge of £0.1m has been recognised in statement of comprehensive income in relation to the loan from GSTT (£0.1m).

Serco Limited:

Serco charged an amount of £0.2m in 2015 (2014: £0.1m) under Serco Services Agreement (SSA) for IT, Payroll and finance charges.

An interest charge of £0.2m (2014: £0.2m) has been recognised in statement of comprehensive income

15. RELATED PARTY TRANSACTIONS (cont.)**King's College Hospital NHS Foundation Trust:**

Under contracts with King's College hospital NHS Foundation Trust (KCH) Viapath provides a full range of laboratory and pathology services to KCH: amounts invoiced in the year were £25.9m (2014 £30.1m).

Secondment agreements for staff with KCH ceased on 31st December 2014, the majority of the affected staff transferred to Viapath employment under TUPE arrangements. Invoices from KCH to Viapath therefore reduced to £3.5m from £15.3m in 2014. These charges are made under Trust Services Agreements (TSAs) between KCH and Viapath.

An interest charge of £0.1m has been recognised in statement of comprehensive income in relation to the loan from KCH (£0.1m).

16. ANALYSIS OF NET DEBT

	At 31 Dec 2014 £ '000	Cash flow £ '000	Interest Charge £ '000	Non- Cash £ '000	At 31 Dec 2105 £ '000
Cash and cash equivalents					
Cash	6,619	655	-	-	7,274
Current Liabilities					
Finance leases	(65)	65	(4)	(65)	(69)
Non-current liabilities					
Finance leases	(97)	-	-	65	(32)
Loans over one year	(14,271)	-	-	-	(14,271)
Net debt	(7,814)	720	(4)	-	(7,098)

Cash and cash equivalents comprise cash balances at major UK banks. There are no bank overdrafts.

17. FINANCIAL RISK MANAGEMENT**Capital risk management**

The LLP's capital structure and policies are regularly reviewed to ensure that they remain relevant to the business and its plans for growth. The LLP is financed by the three members via capital and loans.

The carrying amounts of financial instruments are as follows:

	Consolidated 2015 £ '000	Consolidated 2014 £ '000
Financial assets – loans and receivables		
Trade receivables (note 10)	5,472	1,843
Other receivables (note 10)	96	103
Amounts owed by members (note 10)	11,001	9,228
Cash and cash equivalents (note 12)	7,274	6,619
Financial liabilities – at amortised cost		
Trade payables (note 13)	(9,646)	(6,675)
Loans due to members (note 14)	(14,271)	(14,271)
Amounts owed to members (note 13)	(7,426)	(10,008)
Net financial liabilities	(7,500)	(13,161)

The maximum exposure to credit risk in relation to financial assets at the reporting date is the carrying value. The LLP does not hold any collateral as security. The Members estimate that the carrying

17. FINANCIAL RISK MANAGEMENT (cont.)

value of all financial instruments approximates to their fair value. The fair values have been determined using available market information and appropriate valuation methodology.

The principal risks arising from the LLP's use of financial assets and liabilities and details of how these risks are managed are set out in the Strategic Report beginning on page 5, under the heading 'financial risk management objectives and policies'.

Interest rate sensitivity analysis

The LLP is exposed to interest rate risk on the loans due to members at 2% above LIBOR. Loans due to members fall due on 30 June 2017 (£2.5m) followed by 31 December 2017 (£3m), 31 December 2018 (£3m) and 31 December 2019 (£3.7m).

If LIBOR interest rates increase by 1% the LLP shall be exposed to an increased interest charge of £121,750 per annum.

The maturity dates of financial assets/liabilities are as follows:

At 31 December 2015	Less than 1 month £ '000	1 to 3 months £ '000	3 months to 1 year £ '000	Over 1 year £ '000	Total £ '000
Financial assets – loans and receivables					
Trade receivables (note 10)	3,973	616	883	-	5,472
Other receivables (note 10)			96		96
Amounts owed by members (note 10)	9,117	883	491	510	11,001
Cash and cash equivalents (note 12)	7,274				7,274
Financial liabilities – at amortised cost					
Trade payables (note 13)	(3,523)	(6,170)	183	(136)	(9,646)
Loans due to members (note 14)	-	-	-	(14,271)	(14,271)
Amounts owed to members (note 13)	(829)	(1,990)	(4,715)	108	(7,426)
Net financial instruments	16,012	(6,661)	(3,062)	(13,789)	(7,500)

At 31 December 2014	Less than 1 month £ '000	1 to 3 months £ '000	3 months to 1 year £ '000	Over 1 year £ '000	Total £ '000
Financial assets – loans and receivables					
Trade receivables	1,474	369	-	-	1,843
Other receivables	8	3	92	-	103
Amounts owed by members	9,228	-	-	-	9,228
Cash and cash equivalents	6,619	-	-	-	6,619
Financial liabilities – at amortised cost					
Trade payables	(6,675)	-	-	-	(6,675)
Loans due to members	-	-	-	(14,271)	(14,271)
Amounts owed to members	(10,008)	-	-	-	(10,008)
Net financial instruments	646	372	92	(14,271)	(13,161)

18. LEASE COMMITMENTS**Operating leases**

Under the terms of the lease agreements, no contingent rents are payable.

The future minimum lease payments under operating leases are as follows:

	Consolidated 2015 £ '000	Group 2015 £ '000	Consolidated 2014 £ '000
Within one year	189	9	199
Between one and five years	595	-	761
After five years	-	-	-
Total	784	9	960

Finance leases

Finance lease liabilities are payable as follows:

	Minimum lease payments		Present value of minimum lease payments	
	2015 £ '000	2014 £ '000	2015 £ '000	2014 £ '000
Within one year	65	65	63	63
In the second to fifth year inclusive	32	97	30	90
After five years	-	-	-	-
	97	162	93	153
Less: future finance charges on finance leases	(4)	(6)	(6)	(6)
Present value of lease obligations	93	156	87	147

All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

All lease obligations are denominated in sterling.

The fair value of the LLPs lease obligations is approximately equal to their carrying amount.

19. DEFINED CONTRIBUTION PENSION SCHEMES

Pre-funded defined benefit pension schemes treated as defined contribution schemes.

Defined Benefit Schemes

During 2015 some employees of the LLP became members of the NHS Pension Scheme. The LLP paid employer contributions for the year ended 31 December 2015 of £ 2.558m (2014 £nil). The scheme is closed to staff other than those subject to Transfer Under Protected Employment and those that were formerly in the Prudential Platinum Scheme (2014 payments £488,684).

Defined contribution schemes

Some employees of the LLP benefit from employer contributions to the Serco managed Legal and General stakeholder pension scheme. The LLP paid employer contributions for the year ended 31 December 2015 of £774,883 (2014 £657,649).

In all cases the schemes' assets are held separately from those of the LLP in contract-based arrangements.

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