

Registered number OC338425

**Virgin Care Stockton LLP (formerly Assura  
Stockton LLP)**

**Annual report and financial statements  
for the year ended  
31 March 2013**

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## **Information**

### **Designated Members**

Virgin Care Limited

Virgin Care Corporate Services Limited

### **LLP registered number**

OC338425

### **Registered office**

7-12 Tavistock Square, London, WC1H 9LT

## **Members' report**

*for the year ended 31 March 2013*

The members present their annual report together with the audited financial statements of Virgin Care Stockton LLP (formerly Assura Stockton LLP) (the LLP) for the year ended 31 March 2013. The LLP changed its name from Assura Stockton LLP to Virgin Care Stockton LLP on 12 August 2013. The members confirm that the annual report and financial statements of the LLP comply with current statutory requirements and the requirements of the LLP's governing document.

### **Principal activities**

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

### **Designated Members**

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

### **Policy on members' drawings and the subscription and repayment of capital**

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

The policy on members' drawings has changed with effect from 1 April 2012 due to Virgin Care Limited gaining control of the LLP on this date.

The members' drawings policy up to and including periods ended 31 March 2012 was as follows:

Following each financial year, once the financial statements have been prepared, unless there is a unanimous decision of the members to the contrary, the whole of the profit shall, after setting off any losses brought forward from any previous financial year, be distributed with 50% going to Virgin Care Limited and the remaining 50% distributed to the GP practice members in proportion to their shareholding.

The members' drawings policy from 1 April 2012 is as follows:

Following each financial year, once the financial statements have been prepared, the whole of the profit shall, after setting off any losses brought forward from any previous financial year, be distributed 99% to Virgin Care Limited and 1% to Virgin Care Corporate Services Limited.

These accounts have been prepared in accordance with the provisions applicable to LLPs subject to the small LLPs' regime.

This report was approved by the members on 17/12/13 and signed on their behalf by



Virgin Care Limited  
Designated member

## **Members' responsibilities statement**

**for the year ended 31 March 2013**

The members are responsible for preparing the Members' Report and the financial statements in accordance with applicable law and regulations. The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 require the members to prepare financial statements for each financial year. Under that law the members have elected to prepare financial statements in accordance with the Financial Reporting Standard for Smaller Entities (Effective April 2008) and applicable law (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

Under Regulation 8 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 the members 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 LLP and of the profit or loss of the LLP for that period. In preparing these financial statements, the members are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

Under Regulation 6 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, the members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that its financial statements comply with those regulations. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the LLP and to prevent and detect fraud and other irregularities.



## **KPMG LLP**

8 Princes Parade  
Liverpool  
L3 1QH  
United Kingdom

### **Independent auditor's report to the members of Virgin Care Stockton LLP (formerly Assura Stockton LLP)**

We have audited the financial statements of Virgin Care Stockton LLP (formerly Assura Stockton LLP) for the year ended 31 March 2013, set out on pages 6 to 16. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the members of the limited liability partnership (LLP) as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as required by Regulation 39 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the LLP and the LLP's members, as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of members and auditor**

As explained more fully in the Members' Responsibilities Statement, set out on page 3, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view, of the state of affairs of the LLP as at 31 March 2013 and of its result for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006, as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

**Independent auditor's report to the members of Virgin Care Stockton LLP  
(formerly Assura Stockton LLP) (continued)**

**Other matter - prior period financial statements**

In forming our opinion on the financial statements, which is not modified, we note that the prior period financial statements were not audited. Consequently, International Standards on Auditing (UK and Ireland) require the auditor to state that the corresponding figures contained within these financial statements are unaudited.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to limited liability partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- we have not received all the information and explanations we require for our audit, or
- the members were not entitled to prepare the financial statements in accordance with the small limited liability partnerships' regime



**Will Baker (Senior Statutory Auditor)**

**for and on behalf of KPMG LLP, Statutory Auditor**  
Chartered Accountants  
8 Princes Parade  
Liverpool  
L3 1QH

18/12/13

**Profit and Loss Account**  
*for the year ended 31 March 2013*

	Note	2013 £	As restated (see note 10) Unaudited 2012 £
<b>Turnover</b>	1	6,942,974	6 488,662
<b>Cost of sales</b>		(5,250,399)	(5,752,027)
<b>Gross profit</b>		1,692,575	736,635
Administrative expenses (including exceptional item of £188,000 (2012 £nil) see note 9)		(265,230)	(124,563)
<b>Operating profit</b>	2	1,427,345	612,072
Interest receivable and similar income		-	21,610
<b>Profit for the financial year before members' remunerations and profit share</b>		1,427,345	633,682
<b>Profit for the financial year before members' remunerations and profit share</b>		1,427,345	633 682
Members' remuneration charged as an expense	3	(1,427,345)	(483,468)
<b>Profit for the financial year</b>		-	150,214

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

All amounts relate to continuing operations



**Statement of Total Recognised Gains and Losses**  
*For the year ended 31 March 2013*

	2013 £	As restated (see note 10) unaudited 2012 £
<b>Profit for the year</b>	-	150 214
Prior year adjustment (see note 10)	(327,987)	
Total gains and losses recognised since last annual report	<u>(327,987)</u>	

**Balance Sheet**  
*As at 31 March 2013*

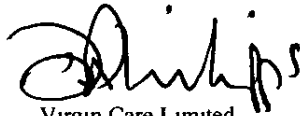
	<i>Note</i>	£	2013 £	As restated (see note 10) unaudited 2012 £
<b>Fixed assets</b>				
Intangible assets	4		9,747	19,492
Tangible assets	5		225,231	302,507
			<u>234,978</u>	<u>321,999</u>
<b>Current assets</b>				
Stocks		82,654		41,626
Debtors	6	2,030,599		943,686
Cash at bank		936,903		881,096
		<u>3,050,156</u>	<u>1,866,408</u>	
<b>Creditors</b> amounts falling due within one year	7	(1,502,781)	(1,718,180)	
<b>Net current assets/(liabilities)</b>			<u>1,547,375</u>	<u>148,228</u>
<b>Total assets less current liabilities</b>			<u>1,782,353</u>	<u>470,227</u>
<b>Provisions for liabilities</b>	9		(188,000)	-
<b>Net assets attributable to members</b>			<u>1,594,353</u>	<u>470,227</u>
<b>Represented by.</b>				
<b>Loans and other debts due to members</b>	8		1,594,353	470,227
			<u>1,594,353</u>	<u>470,227</u>
<b>Total members' interests</b>				
Amounts due from members (included in debtors)	11		(1,000,000)	-
Loans and other debts to members	11		1,594,353	470,227
			<u>594,353</u>	<u>470,227</u>

**Balance Sheet** *(continued)*

The financial statements have been prepared in accordance with the special provisions relating to LLPs subject to the small LLPs regime within Part 15 of the Companies Act 2006 as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

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

17/12/13



Virgin Care Limited  
Designated member

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

## Notes

*(forming part of the financial statements)*

### 1 Accounting Policies

#### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships"

#### 1.2 Going concern

The financial statements have been prepared on the going concern basis, which the members believe to be appropriate for the following reasons. The LLP is dependent for its working capital on funds guaranteed by other group companies. The LLP's parent, Virgin Care Limited, has provided the LLP with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds and guarantees as are needed by the LLP. In particular, Virgin Care Limited has confirmed that the amounts due from the LLP of £1,594,353 included within loans and other debts due to members will not be called for payment within 12 months from the date of approval of these financial statements. This should enable the LLP to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any entity placing reliance on other group entities for financial support, the members acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on this undertaking the members believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

#### 1.3 Turnover

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

#### 1.4 Intangible fixed assets and amortisation

Intangible fixed assets are amortised at rates calculated to write off the assets on a straight basis over their estimated useful economic lives, not to exceed five years. Impairment of intangible assets is only reviewed where circumstances indicate that the carrying value of an asset may not be recoverable.

#### 1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Short leasehold property	- 5 years straight line
Plant and equipment	- 3 years straight line

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.6 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term

#### 1.7 Members' remuneration charged as an expense

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

#### 1.8 Tax provisions

The taxation payable on partnership profits is the personal liability of the members during the year, although payment of such liabilities is administered by the partnership on behalf of the members. Consequently neither partnership taxation nor related deferred taxation are accounted for in the financial statements. Sums set aside in respect of members' tax obligations are included in the balance sheet within loans and other debts due to members or set against amounts due from members as appropriate.

#### 1.9 Provisions

A provision is recognised in the balance sheet when the LLP has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation.

### 2 Operating profit

The operating profit is stated after charging

	2013 £	Unaudited 2012 £
Depreciation of tangible fixed assets		
Owned by the LLP	135,462	134,529
Auditor's remuneration	5,000	-
Amortisation of procurement costs	9,745	11,508
Loss on disposal of fixed assets	-	1,203
	<hr/>	<hr/>
<b>3. Members' remuneration charged as an expense</b>		
		As restated (note 10)
	2013 £	Unaudited 2012 £
Management charge payable to Virgin Care Limited under the terms of the LLP agreement	166,664	155,481
Division of profits to members	1,260,681	327,987
	<hr/>	<hr/>
	1,427,345	483,468
	<hr/>	<hr/>

## Notes (continued)

### 4 Intangible fixed assets

	Procurement costs £
<b>Cost</b>	
At 1 April 2012 and 31 March 2013	48,731
<b>Amortisation</b>	
At 1 April 2012 (unaudited)	29,239
Charge for the year	9,745
At 31 March 2013	38,984
<b>Net book value</b>	
At 31 March 2013	9,747
At 31 March 2012 (unaudited)	19,492

### 5 Tangible fixed assets

	Short leasehold property £	Plant & equipment £	Total £
<b>Cost</b>			
At 1 April 2012 (unaudited)	514,677	119,098	633,775
Additions	1,536	56,650	58,186
At 31 March 2013	516,213	175,748	691,961
<b>Depreciation</b>			
At 1 April 2012 (unaudited)	301,674	29,594	331,268
Charge for the year	103,480	31,982	135,462
At 31 March 2013	405,154	61,576	466,730
<b>Net book value</b>			
At 31 March 2013	111,059	114,172	225,231
At 31 March 2012 (unaudited)	213,003	89,504	302,507

**Notes (continued)**

**6 Debtors**

	2013	Unaudited 2012
	£	£
Trade debtors	695,466	696,161
Prepayments and accrued income	315,201	239,968
Other debtors	19,932	7,557
Amounts due from members	1,000,000	-
	<u>2,030,599</u>	<u>943,686</u>

**7. Creditors Amounts falling due within one year**

	2013	Unaudited 2012
	£	£
Trade creditors	35,344	173,262
Amounts owed to group undertakings	126,986	-
Other tax and Social Security	15,073	19,575
Accruals and deferred income	1,325,378	1,525,343
	<u>1,502,781</u>	<u>1,718,180</u>

**8. Loans and other debts due to members**

	2013	As restated (see note 10) Unaudited 2012
	£	£
Amounts due to members	1,395,539	271,413
Members' capital classified as liability under FRS25	198,814	198,814
	<u>1,594,353</u>	<u>470,227</u>

Loans due to members falling due after more than one year £nil (2012 £198,814) rank after unsecured creditors in the event of a winding up. Loans and other debts due to members within one year rank equally with debts due to ordinary creditors in the event of a winding up.

## Notes (continued)

### 9 Provisions

	<b>Onerous contract provisions £</b>
At 1 April 2012	-
Provision made in the year	188,000
	<hr/>
At 31 March 2013	188,000
	<hr/>

The onerous contract provision relates to one contract which is forecast to be loss-making to the end of the contract. The amount recognised represents the lower of the unavoidable cost to fulfil the contract and the cost to terminate the contract. The provision is not discounted.

### 10 Prior year adjustment

In the financial statements for the year ended 31 March 2012, the LLP recognised profit for the year ended 31 March 2012 of £478,201. However, as the LLP agreement requires that the profits available for distribution to the members be automatically allocated to the members, the profit should have been presented as part of the members' remuneration charged as an expense in the profit and loss account and presented on the balance sheet as loans and other debts due to members. As at 31 March 2011, the LLP had brought forward losses of £150,214 and so the amount available for distribution to the members' as at 31 March 2012 was £327,987. The comparatives have been restated to reflect this. The effect of these adjustments is to reduce the result for the year and increase the members' remuneration charged as an expense for the year ended 31 March 2012 by £327,987. As a consequence of the above drawings of £70,121 in the year ended 31 March 2012, which were previously presented as a deduction from other reserves, have now been re-presented as a reduction in loans and debts due to members. The loans and other debts due to members has therefore increased by £257,866 and other reserves decreased by £257,866. As loans and other debts due from members is below net assets the re-allocation from other reserves to 'loans and other debts due to members' does not change the net assets attributable to members as at 31 March 2011 and 31 March 2012.



**Notes (continued)**

**11 Reconciliation of members' other interests and other loans and debts due to members**

	Other reserves £	Members' other interests £	Loans and debts due to members less any amounts due from members in debtors £	2013 Total £	As restated (note 10) Unaudited 2012 Total £
Amounts due to members b/fwd			212,361		
Amounts due from members b/fwd			-		
Balance at 1 April 2012 as previously reported	257,866	257,866	212,361	470,227	54,071
Prior year adjustment (note 10)	(257,866)	(257,866)	257,866	-	-
Balance as restated	-	-	470,227	470,227	54,071
Profit for the year	-	-	-	-	150,214
Members' remuneration charged as an expense	-	-	1,427,345	1,427,345	483,468
Members' interests after profit for the year	-	-	1,897,572	1,897,572	687,753
Amounts withdrawn by members	-	-	(1,303,219)	(1,303,219)	(217,526)
Balance at 31 March 2013	-	-	594,353	594,353	470,227
Amounts due to members c/fwd			1,594,353		
Amounts due from members c/fwd			(1,000,000)		
			594,353		

## Notes (continued)

### 12. Operating lease commitments

At 31 March 2012 the LLP has an annual commitment under non-cancellable operating leases as follows

	2013	Land and buildings Unaudited 2012	2013	Other Unaudited 2012
	£	£	£	£
Expiry date				
Within 1 year	-	8,784	-	2,357
Between 2 and 5 years	-	-	-	499

### 13 Related party transactions

The LLP's ultimate parent undertaking is Virgin Group Holdings Limited, whose principal shareholders are Sir Richard Branson and certain trusts, none of which individually has a controlling interest in Virgin Group Holdings Limited. The principal beneficiaries of those trusts are Sir Richard Branson and/or his immediate family. The shareholders of Virgin Group Holdings Limited have interests directly or indirectly in certain other companies which are considered to give rise to related party disclosures under Financial Reporting Standard No. 8 and the FRSE.

As a wholly owned subsidiary of Virgin Healthcare Holdings Limited, the LLP has taken advantage of the exemption available in Financial Reporting Standard 8 Related Party Disclosures, which enables it to exclude disclosure of transactions and balances with Virgin Healthcare Holdings Limited and its wholly owned subsidiaries.

VH Doctors Limited is considered a related party as it is a subsidiary of the LLP's parent undertaking, Virgin Care Limited, by virtue of Virgin Care Limited having dominant influence over VH Doctors Limited.

Included in amounts owed to group undertakings is a balance owed by VH Doctors Limited of £115,003 (2012 trade creditor balance of £140,063). Purchases from VH Doctors Limited in 2013 are £1,513,245 (2012 £1,932,997).

### 14 Ultimate parent undertaking and controlling party

The parent undertaking of Virgin Care Stockton LLP is Virgin Care Limited. The LLP is a subsidiary undertaking of Virgin Group Holdings Limited, a company incorporated in the British Virgin Islands.

The largest and smallest group in which the LLP and group results are consolidated are those for Virgin Wings Limited and Virgin Holdings Limited respectively, companies both registered in England and Wales.

Copies of the group accounts of Virgin Holdings Limited and Virgin Wings Limited can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.