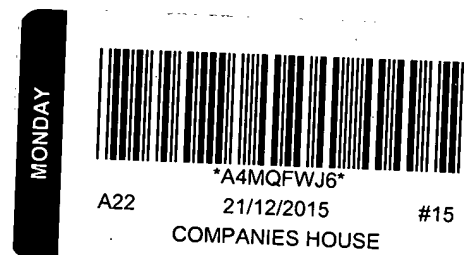


Registered number: OC338425

Virgin Care Stockton LLP

Annual report and financial statements
for the year ended 31 March 2015



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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 2015

The members present their annual report together with the audited financial statements of Virgin Care Stockton LLP (the LLP) for the year ended 31 March 2015. 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 member's drawings states that, following each financial year, once the financial statements have been prepared, the whole of the profit shall, after setting off any losses brought forward from any previous financial year be distributed 99% to Virgin Care Limited and 1% to Virgin Care Corporate Service Limited.

This report was approved by the members on 17/12/15 and signed on their behalf by:



Virgin Care Limited
Designated member

Members' responsibilities statement
for the year ended 31 March 2015

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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under Regulation 8 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulation 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 judgments and accounting estimates that are reasonable and prudent;
- 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 the 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.

Independent auditor's report to the members of Virgin Care Stockton LLP

We have audited the financial statements of Virgin Care Stockton LLP for the year ended 31 March 2015, set out on pages 6 to 15. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view, of the state of the affairs of the LLP as at 31 March 2015 and of its result for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

Independent auditor's report to the members of Virgin Care Stockton LLP

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.



Will Baker (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
8 Princes Parade
Liverpool
L3 1QH
Date: 18/12/2015

Profit and loss account
for the year ended 31 March 2015

	<i>Note</i>	2015 £	2014 £
Turnover		6,374,078	6,728,665
Cost of sales		(5,210,713)	(5,393,716)
Gross profit		1,163,365	1,334,949
Administrative expenses		(256,655)	(208,201)
Profit for the financial year before members' remuneration and profit share	2	906,710	1,126,748
Profit for the financial year before members' remuneration and profit share		906,710	1,126,748
Members' remuneration charged as an expense	4	(906,710)	(1,126,748)
Result for the financial year		-	-

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and loss account.

The notes on pages 9 to 15 form part of these financial statements.

Registered number: OC338425

Balance sheet
as at 31 March 2015

	<i>Note</i>	£	2015 £	£	2014 £
Fixed assets					
Tangible assets	5		36,949		85,171
Current assets					
Stocks	6	66,875		82,654	
Debtors	7	4,873,259		3,363,318	
Cash at bank		31,447		687,284	
		<u>4,971,581</u>		<u>4,133,256</u>	
Creditors: amounts falling due within one year	8	<u>(1,645,929)</u>		<u>(1,521,528)</u>	
Net current assets			<u>3,325,652</u>		<u>2,611,728</u>
Total assets less current liabilities			<u>3,362,601</u>		<u>2,696,899</u>
Provisions for liabilities					
Provisions for liabilities	10		-		(88,000)
Net assets attributable to members			<u>3,362,601</u>		<u>2,608,899</u>
Represented by:					
Loans and other debts due to members					
Members' capital classified as a liability	9	198,814		198,814	
Other amounts	9	3,163,787		2,410,085	
			<u>3,362,601</u>		<u>2,608,899</u>
Total members' interests					
Amounts due from members (included in debtors)	7, 11		(4,545,000)		(3,070,000)
Loans and other debts due to members	11		3,362,601		2,608,899
			<u>(1,182,399)</u>		<u>(461,101)</u>

Balance sheet (continued)
as at 31 March 2015

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

17 December 2015



Virgin Care Limited
Designated member

The notes on pages 9 to 15 form part of these financial statements.

Notes to 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 in accordance with applicable accounting standards and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

1.2 Going concern

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

- The LLP is profit making and at the balance sheet date the LLP has a positive net members interests position;
- Managements' trading forecasts for the foreseeable future expect the LLP to continue to make profits and that the entity will return net positive cash flows; and
- The LLP has sufficient working capital to continue in operation for the foreseeable future.

Based on this undertaking the members believe that it remains appropriate to prepare the financial statements on a going concern basis.

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 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:

Leasehold Improvements	-	5 years straight line
Plant and equipment	-	3 years straight line

1.5 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.6 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.

Notes to the financial statements

1. Accounting policies (continued)

1.7 Tax provisions

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

1.8 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. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

2. Profit for the financial year before members' remuneration and profit share

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets: - owned by the LLP	48,989	150,799
Auditor's remuneration	2,750	3,500
Amortisation of procurement costs	-	9,747
	<u>51,739</u>	<u>164,046</u>

3. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	703,900	645,651
Social security costs	64,055	59,927
Other pension costs	30,605	25,730
	<u>798,560</u>	<u>731,308</u>

Notes to the financial statements

3. Staff costs (continued)

The average monthly number of persons employed during the year was as follows:

	2015 No.	2014 No.
Admin	14	18
Clinical	23	22
	<u>37</u>	<u>40</u>

4. Members' remuneration charged as an expense

	2015 £	2014 £
Management charge payable to Virgin Care Limited under the terms of the LLP agreement	120,798	141,257
Division of profits to members	785,912	985,491
	<u>906,710</u>	<u>1,126,748</u>

5. Tangible fixed assets

	<i>Leasehold Improvements</i> £	<i>Plant & Equipment</i> £	<i>Total</i> £
Cost			
At 1 April 2014	516,213	186,487	702,700
Additions	-	767	767
At 31 March 2015	<u>516,213</u>	<u>187,254</u>	<u>703,467</u>
Depreciation			
At 1 April 2014	508,975	108,554	617,529
Charge for the year	4,528	44,461	48,989
At 31 March 2015	<u>513,503</u>	<u>153,015</u>	<u>666,518</u>
Net book value			
At 31 March 2015	<u>2,710</u>	<u>34,239</u>	<u>36,949</u>
At 31 March 2014	<u>7,238</u>	<u>77,933</u>	<u>85,171</u>

Notes to the financial statements

6. Stocks

	2015 £	2014 £
Consumable stocks	66,875	82,654

7. Debtors

	2015 £	2014 £
Trade debtors	212,802	225,768
Amounts owed by group undertakings	29,218	8,388
Other debtors	853	-
Prepayments and accrued income	85,386	59,162
Amounts due from members	4,545,000	3,070,000
	<u>4,873,259</u>	<u>3,363,318</u>

8. Creditors: Amounts falling due within one year

	2015 £	2014 £
Trade creditors	61,963	84,913
Amounts owed to group undertakings	106,218	236,150
Other tax and social security	14,767	19,161
Other creditors	19,629	-
Accruals and deferred income	1,443,352	1,181,304
	<u>1,645,929</u>	<u>1,521,528</u>

Notes to the financial statements

9. Loans and other debts due to members within one year

	2015	2014
	£	£
Members' capital classified as a liability under FRS25	198,814	198,814
Amounts due to members	3,163,787	2,410,085
	<u>3,362,601</u>	<u>2,608,899</u>

Members' capital classified as a liability under FRS 25 of £198,814 (2014 - £198,814) ranks after unsecured creditors in the event of a winding up. Amounts due to members within one year rank equally with debts due to ordinary creditors in the event of a winding up.

10. Provisions

	<i>Onerous contract provisions</i>
	£
At 1 April 2014	88,000
Utilisation of provision during the year	(88,000)
At 31 March 2015	<u>-</u>

The onerous contract provision related to one contract which in the prior year was forecast to be loss-making to the end of the contract. The amount recognised represented the lower of the unavoidable cost to fulfil the contract and the cost to terminate the contract, and was not discounted. During the current financial year the contract came to an end and hence the provision has been fully released.

Notes to the financial statements

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

	<i>Loans and debts due to members less any amounts due from members in debtors</i> £	<i>Total 2015</i> £	<i>Total 2014</i> £
Amounts due to members b/fwd	2,608,899		
Amounts due from members b/fwd	(3,070,000)		
Balance at 1 April 2014	(461,101)	(461,101)	594,353
Members' remuneration charged as an expense	906,710	906,710	1,126,748
Members' interests after result for the year	445,609	445,609	1,721,101
Amounts withdrawn by members	(120,799)	(120,799)	(141,256)
Other movements	(32,209)	(32,209)	29,054
Loans to members	(1,475,000)	(1,475,000)	(2,070,000)
Members' interests at 31 March 2015	(1,182,399)	(1,182,399)	(461,101)
Amounts due to members	3,362,601		
Amounts due from members	(4,545,000)		
	(1,182,399)		

Notes to the financial statements

12. Pension commitments

The entity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the entity in an independently administered fund. The pension cost charge represents contributions payable by the entity to the fund and amounted to £30,605 (2014 - £25,730).

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.

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 £106,218 (2014 - £235,749). Purchases from VH Doctors Limited in 2015 are £1,343,409 (2014 - £1,439,798).

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 UK Holdings Limited and Virgin Holdings Limited respectively, companies both registered in England and Wales. Copies of the group accounts of Virgin Holdings Limited and Virgin UK Holdings Limited can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.