

Registered number
06593374

Pathology Services Limited

Report and Accounts

31 March 2015

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COMPANIES HOUSE

Pathology Services Limited Company Information

Directors

Robert Drummond
Jonathan Edgeworth

Auditors

Deloitte LLP
Abbots House
Abbey Street
Reading
UK
RG1 3DB

Bankers

National Westminster Bank PLC
London Bridge Branch
10 Southwark Street
London
SE1 1TJ

Registered office

F04 Gassiot House
St Thomas' Hospital
Westminster Bridge Road
London
SE1 7EH

Registered number

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Pathology Services Limited**Registered number: 06593374****Directors' Report**

The directors present their report and accounts for the year ended 31 March 2015.

Principal activities

The company's principal activity during the year continued to be that of a holding company. The company holds an interest in Viapath Group LLP, whose results are included within the Guy's and St Thomas' NHS Foundation Trust consolidated group accounts.

The directors consider that the ultimate parent is Guy's and St Thomas' NHS Foundation Trust which consolidates the results of the company and as such has taken advantage of the exemption available under s400 Companies Act 2006 not to produce group accounts.

The directors of Pathology Services Ltd have reviewed Viapath Group LLP's latest 5 year business plan which forecasts both profits and free cash flow over this period. The directors have also reviewed the partnership's proposed profit distribution policy, which has both working capital amounts and loan principal being repaid to Guy's and St Thomas' NHS Foundation Trust first and then distributions paid to members. The directors are satisfied that their plans are achievable and therefore are confident that this will enable Pathology Services Ltd to meet its long term liabilities as they fall due.

The directors considered the company's losses and net current liabilities position and in July 2015 renegotiated the payment terms on the company's long term intercompany loan agreement with Guy's and St Thomas' NHS Foundation Trust. Repayments are now scheduled over a four year period with the first payment now falling due in June 2018, with the final payment being March 2022. In addition the intercompany loan facility has been extended by £500,000, to be drawn down as required by the company to meet its short term liabilities as they fall due. After consideration of the above the directors have concluded that it is appropriate to continue to adopt the going concern basis for accounting.

Directors

The following persons served as directors during the year:

Robert Drummond
Jonathan Edgeworth

Political and charitable donations

The company did not make any political or charitable donations in the year (2013/14: nil).

Dividends

The company did not propose or pay any dividends in the year (2013/14: nil).

Pathology Services Limited**Registered number: 06593374****Directors' Report****Directors' responsibilities**

The directors are responsible for preparing the report and accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these accounts, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006

Small company provisions

This report has been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

This report was approved by the board on 29 July 2015 and signed on its behalf.



Robert Drummond
Director

Pathology Services Limited
Independent auditors' report
to the member of Pathology Services Limited

We have audited the accounts of Pathology Services Limited for the year ended 31 March 2015 which comprise the Profit and Loss Account, the Balance Sheet and related notes 1 to 12. 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) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the 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 the accounts

In our opinion the accounts:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the accounts are prepared is consistent with the financial statements.

Pathology Services Limited
Independent auditors' report
to the member of Pathology Services Limited

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the accounts and the directors' report in accordance with the small companies regime and take advantage of the small companies exemption from preparing a strategic report.



Susan Barratt, BA ACA
(Senior Statutory Auditor)
for and on behalf of
Deloitte LLP
Chartered Accountants and Statutory Auditors

Abbots House
Abbey Street
Reading
UK
RG1 3DB

18 AUGUST 2015

Pathology Services Limited
Profit and Loss Account
for the year ended 31 March 2015

	Notes	2015 £	2014 £
Administrative expenses		(6,456)	(14,336)
Operating loss	2	<u>(6,456)</u>	<u>(14,336)</u>
Interest payable	4	(36,058)	(34,236)
Loss on ordinary activities before taxation		<u>(42,514)</u>	<u>(48,572)</u>
Tax on loss on ordinary activities	5	(40,827)	-
Loss for the financial year		<u><u>(83,341)</u></u>	<u><u>(48,572)</u></u>

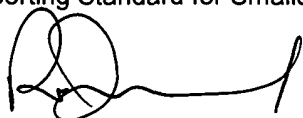
All activities derive from continuing operations.

There are no recognised gains and losses for the financial year other than as stated in the profit and loss account above and accordingly no statement of total recognised gains and losses has been prepared.

Pathology Services Limited
Balance Sheet
as at 31 March 2015

	Notes	2015 £	2014 £
Current assets			
Cash at bank and in hand		42,050	49,962
Creditors: amounts falling due within one year	6	(413,150)	(14,217)
Net current (liabilities)/assets		<u>(371,100)</u>	<u>35,745</u>
Total assets less current liabilities		<u>(371,100)</u>	<u>35,745</u>
Creditors: amounts falling due after more than one year	7	(1,078,686)	(1,402,190)
Net liabilities		<u><u>(1,449,786)</u></u>	<u><u>(1,366,445)</u></u>
Capital and reserves			
Called up share capital	9	1	1
Profit and loss account	10	(1,449,787)	(1,366,446)
Shareholder's funds		<u><u>(1,449,786)</u></u>	<u><u>(1,366,445)</u></u>

The accounts have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime, and with the Financial Reporting Standard for Smaller Entities (effective April 2008).



Robert Drummond
Director

Approved by the board on 29 July 2015

Registered number
06593374

Pathology Services Limited
Notes to the Accounts
for the year ended 31 March 2015

1 Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently in both the current year and the preceding year.

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Going Concern

As discussed further in the Directors' Report the directors have a reasonable expectation that the company has adequate funds to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes. Deferred taxation is calculated on an un-discounted basis at the tax rates which are expected to apply in the periods when the timing differences will reverse.

2 Operating Loss	2015	2014
	£	£
This is stated after charging:		
Auditor's remuneration	<u>2,880</u>	<u>2,880</u>

3 Directors and employees

Staff are employed by the company's parent undertaking and the portion of their services relating to the company is recharged to the company via a management charge.

The directors were remunerated by other group companies. The amounts allocated to this company were nil (2013/14: nil) as it was not practicable to disaggregate the value of their services.

4 Interest payable	2015	2014
	£	£
Interest payable	<u>36,058</u>	<u>34,236</u>

Pathology Services Limited
Notes to the Accounts
for the year ended 31 March 2015

5 Taxation	2015	2014
	£	£
UK corporation tax	40,827	-
Deferred tax	-	-
	<u>40,827</u>	<u>-</u>

The tax charge above arises from the Company's interest Viapath Group LLP. The Company has no deferred tax (2013/14: nil).

6 Creditors: amounts falling due within one year	2015	2014
	£	£
Trade creditors	-	3,198
Amounts owed to group undertakings and undertakings in which the company has a participating interest	369,443	8,139
Other taxes and social security costs	40,827	-
Other creditors	2,880	2,880
	<u>413,150</u>	<u>14,217</u>

Amounts owed to group undertakings includes £360k due on an intercompany interest bearing loan.

7 Creditors: amounts falling due after one year	2015	2014
	£	£
Amounts owed to group undertakings and undertakings in which the company has a participating interest	<u>1,078,686</u>	<u>1,402,190</u>

Amounts owed to group undertakings relates to an intercompany interest bearing (2.6%) loan.

8 Loans	2015	2014
	£	£
Creditors include:		
Amounts falling due for payment after more than five years	<u>-</u>	<u>350,547</u>

9 Called up share capital	Nominal value	2015 Number	2015 £	2014 £
Allotted, called up and fully paid:				
Ordinary shares	£1 each	1	<u>1</u>	<u>1</u>

Pathology Services Limited
Notes to the Accounts
for the year ended 31 March 2015

10 Profit and loss account

2015

£

At 1 April 2014	(1,366,446)
Loss for the year	(83,341)
At 31 March 2015	<u>(1,449,787)</u>

11 Post balance sheet events

In July 2015 the directors renegotiated the payment terms on the company's long term intercompany loan agreement with Guy's and St Thomas' NHS Foundation Trust. Repayments are now scheduled over a four year period with the first payment now falling due in June 2018, with the final payment being March 2022. In addition the intercompany loan facility has been extended by £500,000, to be drawn down as required by the company, to meet its short term liabilities as they fall due.

12 Ultimate controlling party

The directors consider that the ultimate controlling party is Guy's and St Thomas' NHS Foundation Trust, which is also the parent of the largest and smallest group preparing consolidated accounts which include the company. As such, they have taken advantage of the exemption available to group companies under FRSSE 16.2 not to disclose related party transactions.

The company is a member of Viapath Group LLP, a Limited Liability Partnership - registered office: Francis House, 9 King's Head Yard, London SE1 1NA. The company have taken advantage of the exemption available in Regulation 7 of the Accounting Regulations not to disclose any further information in relation to the partnership, since it is included within the consolidated results of Guy's and St Thomas' NHS Foundation Trust.

Copies of the Guy's and St Thomas' NHS Foundation Trust consolidated group accounts can be obtained from Guy's Hospital, Great Maze Pond, London, SE1 9RT.