

Vista Diagnostics Limited

**Directors' report and financial statements
for the year ended 30 September 2014**

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Vista Diagnostics Limited
Directors' report and financial statements
for the year ended 30 September 2014

CONTENTS

	Page
Company information	1
Directors' report	2
Independent auditor's report to the members of Vista Diagnostics Limited	5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8

Vista Diagnostics Limited
Directors' report and financial statements
for the year ended 30 September 2014

COMPANY INFORMATION

DIRECTORS: R J Bradford
S L Bricknell
A S L Cummings

SECRETARY: S L Bricknell

REGISTERED OFFICE: Beechwood Hall
Kingsmead Road
High Wycombe
Buckinghamshire
HP11 1JL

REGISTERED NUMBER: 05611221 (England and Wales)

AUDITOR: KPMG LLP
Altius House
One North Fourth Street
Milton Keynes
MK9 1NE

BANKERS: Bank of Scotland
4th Floor
25 Gresham Street
London
EC2V 7HN

DIRECTORS' REPORT

The Directors present their report and audited financial statements for the Company for the year ended 30 September 2014.

PRINCIPAL ACTIVITIES

The principal activity of the Company is as a leading provider of accessible, affordable, and assured MRI scanning. Accessible because services are delivered from a Central London location conveniently situated opposite the entrance to Waterloo mainline and tube station, and patient appointments are available 12 hours per day / 7 days per week. Affordable because these extended opening hours enable Vista to spread the high fixed costs associated with setting up and operating an MRI centre across a larger number of patients thereby bringing down the scan cost for each patient. Quality is assured as Vista combines market leading technology with experienced radiography staff to capture high quality images which are then interpreted and reported by leading NHS affiliated radiologists with relevant sub speciality experience.

REVIEW OF BUSINESS

Revenue for the year increased to £4.3 million (2013: £2.7 million) generating an operating profit of £0.4 million (2013: £0.6 million).

The Company has continued to focus on operational excellence in the delivery of all services. The increase in capacity and refurbished facilities has strengthened our ability to maintain and develop excellent relationships with our customers and patients.

DIVIDENDS

The Directors do not recommend the payment of a dividend (2013: £nil).

POLITICAL AND CHARITABLE DONATIONS

The Company made no charitable donations (2013: £nil) and no political donations (2013: £nil).

DIRECTORS

The Directors who held office during the year were as follows:

R J Bradford
S L Bricknell
A S L Cummings

DIRECTORS' REPORT *(continued)*

EMPLOYEES

Our people are central to our success in both delivering existing business and winning new contracts. Investment in our people and in building the right working environment will continue to be a priority. As part of the InHealth Group, the Company holds Gold accreditation with Investors In People and employs, 22 highly skilled and trained professionals with many years of experience working within the health sector.

The Board remains grateful for the contributions made by all individuals.

Employee involvement

The Company's policy is to consult with employees on matters likely to affect the employees' interests. Information on matters of concern to employees is given through information bulletins and reports, which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Company's performance.

Employment of disabled people

It is the Company's policy that disabled people are given the same consideration as other applicants for all job vacancies for which they offer themselves as suitable candidates. Similarly, the Group's policy is to continue to employ and train employees who have become disabled wherever possible.

Every effort has been made to ensure that line managers fully understand that disabled people must have the same prospects and promotional opportunities that are available to other employees. The Company makes appropriate modification to procedures and equipment where it is practical and safe to do so.

DIRECTORS' REPORT *(continued)*

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

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

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements 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 financial statements comply with the Companies Act 2006. They have general responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

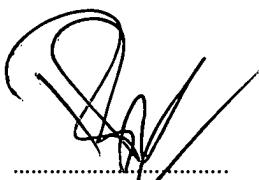
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

INDEPENDENT AUDITOR

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By Order of the Board



.....
R J Bradford - Director

Date 2 February 2015

KPMG LLP
Altius House
One North Fourth Street
Milton Keynes
MK9 1NE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VISTA DIAGNOSTICS LIMITED

We have audited the financial statements of Vista Diagnostics Limited for the year ended 30 September 2014 set out on pages 6 to 14. 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 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 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 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 AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the Directors 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 Company's affairs as at 30 September 2014 and of its profit 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.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

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 financial statements 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 take advantage of the small companies exemption from the requirement to prepare a strategic report.



David Neale (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Altius House
One North Fourth Street
Milton Keynes
MK9 1NE
Date

2 February 2015

Vista Diagnostics Limited
 Directors' report and financial statements
 for the year ended 30 September 2014

PROFIT AND LOSS ACCOUNT
 For the year ended 30 September 2014

	Notes	2014 £000	2013 £000
Revenue	2	4,321	2,749
Cost of sales		(2,781)	(1,774)
GROSS PROFIT		1,540	975
Administrative expenses		(1,134)	(371)
OPERATING PROFIT	3	406	604
Interest payable and similar charges	5	(16)	(16)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		390	588
Tax on profit on ordinary activities	6	(130)	(138)
PROFIT FOR THE FINANCIAL YEAR		260	450

CONTINUING OPERATIONS

None of the Company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The Company has no recognised gains or losses other than the profit for the current and previous year.

NOTE OF HISTORICAL COST PROFITS AND LOSSES

The difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis is not material.


The notes on page 8 to 14 form part of these financial statements.

Vista Diagnostics Limited
Directors' report and financial statements
for the year ended 30 September 2014

BALANCE SHEET
At 30 September 2014

	Notes	2014		2013	
		£000	£000	£000	£000
FIXED ASSETS					
Intangible assets			1		-
Tangible assets	7		1,451		1,642
			1,452		1,642
CURRENT ASSETS					
Debtors	8	4,808		1,230	
Cash at bank		121		1,429	
Stocks		3		-	
		4,932		2,659	
CREDITORS: Amounts falling due within one year	9	(5,944)		(4,143)	
NET CURRENT LIABILITIES			(1,012)		(1,484)
TOTAL ASSETS LESS CURRENT LIABILITIES			440		158
PROVISIONS FOR LIABILITIES	10		(64)		(42)
NET ASSETS			376		116
CAPITAL AND RESERVES					
Called up share capital	11		-		-
Profit and loss account	12		376		116
SHAREHOLDERS' FUNDS			376		116

These financial statements were approved by the Board of Directors on 2 February 2015 and were signed on its behalf by:



.....
R J Bradford

Company registration number: 05611221

The notes on page 8 to 14 form part of these financial statements.

Notes to the Financial Statements

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Under FRS 1 'Cash Flow Statements' the Company is exempt from the requirement to prepare a cash flow statement as the results and cash flows of the Company are included in the consolidated accounts of InHealth UK Holdings Limited, in its own published consolidated financial statements.

As the Company is a wholly owned subsidiary within the Group headed by InHealth UK Holdings Limited, the Company has taken advantage of the exemption contained in FRS 8 'Related Party Disclosures' and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of that Group.

Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Principal Activities section of the Directors' report on page 2.

The Company is expected to continue to generate positive cash flows on its own account for the foreseeable future. The Company participates in the Group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. In order to finance the working capital and capital investment, the Company's immediate parent undertaking (InHealth Limited) has provided written confirmation that it will for at least 12 months from the date of approval of these financial statements, continue to make available such funds as are needed by the Company and in particular will not seek repayment of the amounts currently made available. The Directors believe that these banking arrangements will continue for the foreseeable future.

On the basis of their assessment of the Company's financial position and of the enquiries made of the directors of InHealth Limited, the Company's Directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. The Directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Company to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Short term leasehold improvements	-	Over the term of the lease
Plant and machinery	-	4 – 10 years straight line
Fixtures and fittings	-	3 – 6 years straight line

The carrying amounts of the Company's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account.

Notes to the Financial Statements (continued)

1. ACCOUNTING POLICIES (continued)

Post retirement benefits

The Company participates in a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Leases and hire purchase arrangements

Assets acquired under finance leases or hire purchase arrangements are capitalised and the outstanding future obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19 Deferred Taxation.

Revenue

Revenue represents the amounts invoiced for the provision of scanning services to hospitals, insurance companies and the public (excluding value added tax). Revenue is recognised on the provision of services.

2. REVENUE

The Company's revenue is wholly attributable to activities in the UK.

3. NOTES TO THE PROFIT AND LOSS ACCOUNT

The operating profit is stated after charging:

	2014	2013
	£000	£000
Depreciation and other amounts written off tangible fixed assets:		
Owned	287	195
Hire of other assets – operating leases	168	158
	<hr/>	<hr/>
<i>Auditor's remuneration</i>	2014	2013
	£000	£000
Audit of these financial statements	7	7
	<hr/>	<hr/>

Amounts receivable by the Company's auditors in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the ultimate parent company InHealth UK Holdings Limited.

Vista Diagnostics Limited
 Directors' report and financial statements
 for the year ended 30 September 2014

Notes to the Financial Statements (continued)

4. STAFF NUMBERS AND COSTS

The average number of persons employed by the Company during the year, analysed by category, was as follows:

	2014 Number	2013 Number
Operations	18	9
Administrative	4	8
	<u>22</u>	<u>17</u>

The aggregate payroll costs of these people were as follows:

	2014 £000	2013 £000
Wages and salaries	848	634
Social security costs	91	65
Other pension costs	22	12
	<u>961</u>	<u>711</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2014 £000	2013 £000
Bank Charges	<u>16</u>	<u>16</u>

Notes to the Financial Statements (continued)

6. TAXATION

Analysis of charge in period

	2014	2013
	£000	£000
<i>UK corporation tax</i>		
Current tax on income for the period	111	15
Adjustment in respect of prior period	(3)	-
Current tax	<u>108</u>	<u>15</u>
<i>Deferred tax (see note 10)</i>		
Origination and reversal of timing differences	18	112
Adjustment in respect of prior year	4	-
Effect of decreased tax rate	-	11
Deferred tax	<u>22</u>	<u>123</u>
Total tax on profit on ordinary activities	<u>130</u>	<u>138</u>

Factors affecting the tax charge for the current period

The current tax charge for the period is higher (2013: lower) than the standard rate of corporation tax in the UK. The differences are explained below:

	2014	2013
	£000	£000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	<u>390</u>	<u>588</u>
Current tax at 22% (2013:20%)	86	118
<i>Effects of:</i>		
Expenses not deductible for tax purposes	8	-
Fixed Assets ineligible for depreciation	36	14
Capital allowances in excess of depreciation	(21)	(12)
Group relief claimed	-	(10)
Consideration paid to inter-company entity for group losses claimed	-	10
Other short term timing differences	2	-
Adjustment to tax charge in respect of previous periods	(3)	-
Utilised tax losses	-	(105)
Tax on profit on ordinary activities	<u>108</u>	<u>15</u>

Factors that may affect future, current and total tax charges

The 2013 Budget on 20 March 2013 announced that the UK corporation tax rate will reduce to 20% by 2015. Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the Company's future current tax charge accordingly. The deferred tax asset at 30 September 2014 has been calculated based on the rates of 20% and 21% substantively enacted at the balance sheet date.

Vista Diagnostics Limited
Directors' report and financial statements
for the year ended 30 September 2014

Notes to the Financial Statements (continued)

7. TANGIBLE FIXED ASSETS

	Short term leasehold improvements £000	Plant and machinery £000	Fixtures and fittings £000	Total £000
COST				
At 1 October 2013	1,286	1,499	216	3,001
Additions	17	31	48	96
Disposals	-	(21)	-	(21)
At 30 September 2014	1,303	1,509	264	3,076
DEPRECIATION				
At 1 October 2013	507	735	117	1,359
Charge in the year	164	77	46	287
Disposals	-	(21)	-	(21)
At 30 September 2014	671	791	163	1,625
NET BOOK VALUE				
At 30 September 2014	632	718	101	1,451
At 30 September 2013	779	764	99	1,642

8. DEBTORS

	2014 £000	2013 £000
Trade debtors	61	79
Amounts owed by Group undertakings	4,660	990
Other debtors	28	49
Corporation tax	-	56
Prepayments and accrued income	59	56
	4,808	1,230

9. CREDITORS: amounts falling due within one year

	2014 £000	2013 £000
Trade creditors	117	86
Amounts owed to Group undertakings	5,532	3,915
Corporation tax	58	-
Accruals and deferred income	237	142
	5,944	4,143

Notes to the Financial Statements (*continued*)

10. PROVISIONS FOR LIABILITIES

	2014	2013
	£000	£000
Deferred tax liability/(asset) brought forward	42	(81)
Charge to the profit and loss account	22	123
Liability carried forward	<u>64</u>	<u>42</u>

Deferred tax liability

	2014	2013
	£000	£000
Difference between accumulated depreciation and capital allowances	66	42
Short term timing differences	(2)	-
Total deferred tax liability	<u>64</u>	<u>42</u>

11. CALLED UP SHARE CAPITAL

	2014	2013
	£000	£000
<i>Allotted, called up and fully paid</i>		
1 Ordinary share of £1 each	<u>-</u>	<u>-</u>

12. RESERVES

	Profit and loss account £000
At 1 October 2013	116
Profit for the year	260
At 30 September 2014	<u>376</u>

13. COMMITMENTS

Annual commitments under non-cancellable operating leases are as follows:

	2014	2013
	Land and buildings £000	Land and buildings £000
Operating leases which expire:		
Between one and five years	155	-
In more than five years	<u>-</u>	<u>155</u>

Notes to the Financial Statements *(continued)*

14. PENSION SCHEME

The Company operates a defined contribution pension scheme. The pension cost charged for the year represents contributions payable by the Company to the scheme and amounts to £22,000 (2013: £12,000).

There were no outstanding contributions as at 30 September 2014 (2013: nil) as payments to the pension scheme are made through InHealth Limited.

15. ULTIMATE CONTROLLING PARTY

The ultimate parent undertaking and controlling party is the Damask Trust, the Trustees of which are I H Bradbury and the Embleton Trust Corporation Limited.

The largest Group in which the Company is consolidated is InHealth UK Holdings Limited. The smallest Group in which the Company is consolidated is InHealth Group Limited. Both Companies are incorporated in England and Wales. The consolidated financial statements of these Groups are available to the public and may be obtained from Beechwood Hall, Kingsmead Road, High Wycombe, Buckinghamshire, HP11 1JL.