

Registered number  
06593374

Pathology Services Limited

Report and Accounts

31 March 2016



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COMPANIES HOUSE

**Pathology Services Limited**  
**Company Information**

**Directors**

Robert Drummond  
Jonathan Edgeworth

**Secretary**

Peter Allanson

**Auditors**

KPMG LLP  
15 Canada Square  
London  
E14 5GL

**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**

06593374

## **Pathology Services Limited**

**Registered number:** 06593374

### **Directors' Report**

The directors present their report and accounts for the year ended 31 March 2016.

#### **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.

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 was extended by £500,000, to be drawn down as required by the company to meet its short term liabilities as they fall due. £146,000 was drawn down in December 2015.

The directors considered the company's losses and net current liabilities position and in June 2016 the directors extended the loan's credit facility by an additional £500,000. 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 ended (2014/15: nil).

#### **Dividends**

The company did not propose or pay any dividends in the year (2014/15: Nil).

#### **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.

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

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 auditors**

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.

**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 13 July 2016 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'RD', followed by a long horizontal flourish.

Robert Drummond  
Director

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

We have audited the financial statements of Pathology Services Limited for the year ended 31 March 2016 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard For Smaller Entities (effective January 2015) (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 auditor**

As explained more fully in the Statement of Directors' Responsibilities [set out on page 2], 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**

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

**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 2016 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.

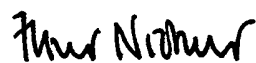
**Opinion on other matters prescribed by the Companies Act 2006**

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.

**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 prepare the accounts in accordance with the small companies regime.



Fleur Nieboer  
(Senior Statutory Auditor)  
for and on behalf of  
KPMG LLP  
Statutory Auditor  
26 July 2016

15 Canada Square  
London  
E14 5GL

**Pathology Services Limited**  
**Profit and Loss Account**  
**for the year ended 31 March 2016**

	Notes	2016 £	2015 £
Administrative expenses		(10,249)	(6,456)
<b>Operating loss</b>	2	<u>(10,249)</u>	<u>(6,456)</u>
Interest payable	4	(38,650)	(36,058)
<b>Loss on ordinary activities before taxation</b>		<u>(48,899)</u>	<u>(42,514)</u>
Tax on loss on ordinary activities	5	(434,343)	(40,827)
<b>Loss for the financial year</b>		<u><u>(483,242)</u></u>	<u><u>(83,341)</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 2016**

	Notes	2016 £	2015 £
<b>Current assets</b>			
Cash at bank and in hand		21,831	42,050
<b>Creditors: amounts falling due within one year</b>	7	(331,960)	(413,150)
<b>Net current liabilities</b>		<u>(310,129)</u>	<u>(371,100)</u>
<b>Total assets less current liabilities</b>		<u>(310,129)</u>	<u>(371,100)</u>
<b>Creditors: amounts falling due after more than one year</b>	8	(1,622,899)	(1,078,686)
<b>Net liabilities</b>		<u><u>(1,933,028)</u></u>	<u><u>(1,449,786)</u></u>
<b>Capital and reserves</b>			
Called up share capital	9	1	1
Profit and loss account	10	(1,933,029)	(1,449,787)
<b>Shareholder's funds</b>		<u><u>(1,933,028)</u></u>	<u><u>(1,449,786)</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.



Robert Drummond  
 Director  
 Approved by the board on 13 July 2016  
 Registered Number 06593374

**Pathology Services Limited**  
**Notes to the Accounts**  
**for the year ended 31 March 2016**

**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 January 2015).

***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 in the preparation of the accounts.

***Turnover***

Turnover represents the value, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers.

***Investments***

Fixed asset investments are shown at cost less provision for impairment.

***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 profit**

**2016**

**2015**

£

£

This is stated after charging:

Auditors' remuneration

2,385

2,880

Payments made to Auditors for non-audit work in 2015/16 were £6,997 relating to taxation services provided. KPMG replaced Deloitte as the company's auditors in 2015/16.

**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 (2014/15: nil) as it was not practicable to disaggregate the value of their services.



**Pathology Services Limited**  
**Notes to the Accounts**  
**for the year ended 31 March 2016**

<b>4 Interest payable</b>	<b>2016 £</b>	<b>2015 £</b>
Interest payable	<u>38,650</u>	<u>36,058</u>

<b>5 Taxation</b>	<b>2016 £</b>	<b>2015 £</b>
UK corporation tax	434,343	40,827
Deferred tax	-	-
	<u>434,343</u>	<u>40,827</u>

The tax charge above arises from the Company's interest Viapath Group LLP. The Company has no deferred tax (2014/15: nil).

**6 Investments**

The company has a 33.3% share in the following partnership:

<b>Company</b>	<b>Capital and reserves £</b>	<b>Profit (loss) for the year £</b>
Viapath Group LLP	5,436,000	2,614,000

The above are provisional figures for Viapath Group LLP's year ended 31 December 2015

<b>7 Creditors: amounts falling due within one year</b>	<b>2016 £</b>	<b>2015 £</b>
Amounts owed to group undertakings and undertakings in which the company has a participating interest	1,265	369,443
Corporation tax	328,310	40,827
Other creditors	<u>2,385</u>	<u>2,880</u>
	<u>331,960</u>	<u>413,150</u>

<b>8 Creditors: amounts falling due after one year</b>	<b>2016 £</b>	<b>2015 £</b>
Amounts owed to group undertakings and undertakings in which the company has a participating interest	<u>1,622,899</u>	<u>1,078,686</u>

<b>9 Share capital</b>	<b>Nominal value</b>	<b>2016 Number</b>	<b>2016 £</b>	<b>2015 £</b>
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 2016**

**10 Profit and loss account**

	<b>2016</b>
	<b>£</b>
At 1 April 2015	(1,449,787)
Loss for the year	(483,242)
	<hr/>
At 31 March 2016	<u>(1,933,029)</u>

**11 Post balance sheet events**

In June 2016 the directors renegotiated an extension of the intercompany loan facility. This 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. 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.