

Registration number: 01073929

# Virgin Enterprises Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2024

**Virgin Enterprises Limited**

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## Virgin Enterprises Limited

### Strategic Report for the Year Ended 31 December 2024

Virgin Enterprises Limited (the "Company") is part of a larger group (the "Virgin Group") which comprises Virgin Group Holdings Limited ("VGHL"), the ultimate parent of the Company and its subsidiaries. The Virgin Group operates as a growth capital investor, which actively invests in opportunities across both developed and developing markets in different market segments and geographies.

The Company is principally engaged in the management, protection and development of the Virgin brand.

Virgin Management Limited ("Virgin Management"), an intermediate parent company, provides shared administrative functions across investment management and brand licensing. Virgin Management's services comprise management of all directly-managed resources including people, property and financial.

#### Summary financial performance and key performance indicators

For the year ended 31 December 2024, the Company's turnover totalled £110.5 million (2023: £90.0 million). The increase of £20.5 million is mainly attributable to strong performance by Licensees, including Virgin Voyages, and royalty income relating to the amended trade mark licence agreement ("TMLA") with Virgin Money UK Plc ("Virgin Money"), following its acquisition by Nationwide Building Society ("Nationwide").

On 1 October 2024, Nationwide acquired Virgin Money and as part of the transaction, the existing TMLA between the Company and Virgin Money was amended. The amended TMLA runs until 30 September 2028, with an additional 2 year cessation period, for a total consideration of £310 million over that period. This has been accounted for in line with IFRS 15 and is a key driver for the increase in royalty income, interest expense and contract liabilities balances.

Profit before tax totalled £170.2 million (2023: £63.9 million). The increase of £106.3 million is mainly attributable to an increase in royalty income of £20.5 million and £93.7 million of legal damages received from Brightline Holdings LLC ("Brightline").

As at 31 December 2024, the Company had net assets of £79.0 million (2023: £66.2 million).

#### Development and performance of the business

The Company's revenues consist of royalties under the TMLAs it has entered into with companies using the Virgin brand ("Licensees"). Royalties receivable under these agreements are usually calculated as a percentage of the revenues of the Licensees, typically subject to minimum guarantees.

#### Principal risks and uncertainties

The Company is reliant on the strong reputation and loyalty engendered by the Virgin brand with risks linked to a decline in the perception of the Virgin brand and to brand infringement. The Company has a full-time team dedicated to protecting the Virgin brand, monitoring and taking action to prevent potential brand infringement. The Company's TMLAs with Licensees govern the use of its intellectual property and require its Licensees to abide by the quality control standards with respect to such use.

The Company is reliant on royalty income from its TMLAs and any material adverse change in the business or market in which any of the Licensees operate, or of termination of a licence, could affect the level of royalty income received. The Company takes steps to mitigate these risks through a wide distribution of Licensees across a number of different geographies and industries, through setting minimum guaranteed royalty payments in contracts, and through actively managing and monitoring its Licensee relationships.

## Virgin Enterprises Limited

### Strategic Report for the Year Ended 31 December 2024

#### Going Concern

As set out in Note 1.2 to the financial statements, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements. They, thus, continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### Section 172 Companies Act 2006

The Directors have acted in a way that they consider, in good faith, is most likely to fulfil their statutory duties and advance the purpose of the Company to change business for good by undertaking actions which seek to strike a balance between promoting the success of the Company for the benefit of its members as a whole, the interests of members of society and stewardship of the physical environment. In doing so, the Directors have had regard to the matters set out in s172(1) of the Companies Act 2006 and the Company's Articles of Association in the decisions taken during the year.

Since Virgin Management is the Company's intermediate parent company and provides management services to the Company with respect to people, property and financial resources, reference is made to Virgin Management's policies and processes where relevant.

Virgin Holdings Limited ("VHL") is the top UK Company in the Virgin Group. During the year ended 31 December 2024, the Board of VHL ("VHL Board") included all of the senior management team, having responsibility for recommending or approving material matters and providing strategic direction and advice to other Virgin Group companies, including the Company, and as such reference is made to the VHL Board where relevant.

#### *a) The likely consequence of any decision in the long term*

The Company is the owner of the Virgin brand and is a long-term purpose-led brand owner which licenses the brand to a number of Licensees under TMLAs. As such, key decisions made relating to the brand and the brand licensing business take into consideration the long-term consequences and outcomes of those decisions, including in respect of:

- Expected growth in shareholder value derived by the brand licensing business;
- Impact on the Virgin Group's medium to long-term liquidity;
- Impact on the Virgin brand and reputation; and
- Impact on customers, communities, partners, suppliers and the environment.

The Board of the Company annually agrees a five-year plan relating to the brand licensing business. The plan encompasses a review of all Licensees, expected royalty forecasts and corporate development.

#### *b) The interests of the Virgin Group's employees*

Virgin Management is the main employing entity, as it provides brand management services to the Company and management services to other entities in the Virgin Group (outside of the other customer facing investee businesses). Virgin Management is committed to achieving diversity, engagement and development of its employees. Throughout the year, the VHL Board has taken strategic leadership of this including through:

- Holly Branson's role as the Virgin Group's Chief Purpose and Vision Officer, whose focus is on ensuring the Virgin Group is a purposeful business committed to an inclusive, equitable, diverse and innovative culture, where everyone belongs;
- the VHL Board having individual and collective objectives, which influence personal remuneration, and are based on employee engagement, inclusion and wellbeing; and

## Virgin Enterprises Limited

### Strategic Report for the Year Ended 31 December 2024

- regular VHL Board discussions on people matters, including specific ‘Organisational Health’ reviews to discuss relevant organisational effectiveness insights and set actions to support a strategic approach to talent management, including building an executive succession and leadership pipeline and agreeing talent and leadership development investments.

**Diversity, equity, inclusion and belonging ("DEI & Belonging"):** Virgin Management believes that all its employees should feel they belong at work. All companies within the Virgin Group aim to make Virgin an inclusive workplace for everyone, regardless of age, gender, gender identity, sex, ethnicity, sexuality, disability, religion, belief or non-belief, marital status, social economic status or family circumstances. Virgin Management believes all people are equal, welcomes everyone and encourages people to be themselves. It strives to treat people fairly and give equity of opportunity, irrespective of background.

Virgin Management thinks about diversity and inclusion in the broadest sense, considering factors including:

- Protected characteristics under the Equality Act 2010 - age, disability, ethnicity, religion or belief, sex, sexuality, gender, marriage or civil partnership, pregnancy and maternity;
- Acquired traits such as educational background;
- Health considerations such as long-term conditions, mental health and substance misuse;
- Personal circumstances such as caring responsibilities, life stage and culture; and
- Neurodiversity and diversity of thought.

Virgin Management has taken the following actions:

- Created a Belonging strategy, with a clearly articulated set of ambitions and actions to strengthen Virgin as a place where everyone feels they can belong;
- Continued to invest in a grassroots Inclusion Network. This group of employee volunteers work collaboratively across eight areas of focus; Gender, LGBTQIA+, Disability, Neurodiversity, Parents, Ethnicity, Life Stage and Allyship. This group provides safe spaces and education for colleagues on the issues that matter most to them;
- Ensuring an inclusive approach to end-to-end hiring is followed. Highly personalised support, inclusive technologies and thoughtful adjustments are made available to candidates from the very start of the talent attraction process. This means individuals of all backgrounds and needs are supported to demonstrate their unique skills and qualities. Virgin’s long-running Dyslexic Thinking campaign - in partnership with Made by Dyslexia - is signposted in all job postings and is one example of Virgin Management's visible commitment to creating a diverse workforce and celebrating neurodivergent thinkers;
- Refreshed and invested in new employee benefits to ensure these are inclusive and accessible to the whole workforce; including support for working parents and working carers, personalised gender health advice and support (including fertility, menopause and reproductive wellbeing), health screening and medical plans;
- Placed belonging at the heart of the design process for the move to new offices, Whitfield Studios, in 2024. Inclusive investment in the new space included accessible step-free access, adjustable lighting, assistive technology, height adjustable desks and ergonomic chairs. This also included a designated quiet floor, a sanctuary for contemplation, prayer, new parents and meditation, a mix of gendered, single sex spaces, gender neutral and accessible toilets, showers and an accessible wet room;
- Remained a signatory to the Race at Work Charter, established by Business in the Community;
- Achieved ‘Level Two - Disability Confident Employer’ status for the UK Government’s Disability Confident Scheme in 2024; and

## Virgin Enterprises Limited

### Strategic Report for the Year Ended 31 December 2024

- Became a signatory of the Fair Chance Business Alliance in the UK and remained a supporter of the Second Chance Business Coalition in the US.

**Wellbeing:** Virgin Management has remained committed to prioritising the wellbeing of its people and stakeholders. Virgin Management has continued to strive to anticipate and respond responsibly to the physical, mental, emotional, financial and spiritual needs of its people and stakeholders. For example:

- Virgin Management has continued to take a flexible working approach, trusting employees to work in a way that enables them, their teams and the organisation to be successful.
- Virgin Management adopts progressive and innovative employee policies and benefits, which were refreshed in 2024. These include wellbeing tools and support, health screening and medical plans, flexible working, paid 'Loved Ones Leave', unlimited holiday and a real rest (digital detox and office closure) break each year.
- Virgin Management offers employees the opportunity to take on additional wellbeing responsibilities, such as First Aid and Mental Health First Aider training.
- Virgin Management promotes an open culture, keeping its employees informed by providing regular updates and opportunities for employee participation on matters concerning the Virgin Group, its employees and its businesses and investments.

**Communication & engagement:** Virgin Management seeks to operate a framework of employee communication, listening and engagement channels, which help its employees feel a sense of shared purpose and connection with the business strategy, and to facilitate a two-way dialogue between its employees and the VHL Board. This is achieved through the intranet, employee networks and ongoing sentiment pulse surveys and a 'One Voice' employee representative forum. In addition, there are weekly updates, live Q&As and monthly meetings for all Virgin Management employees led by the Virgin Group senior management team.

**Learning & development:** Virgin Management continues to invest in the development of its employees and leaders, supporting them with the skills, knowledge and experiences to grow and develop. A comprehensive learning 'launchpad' is available to all employees, including access to digital learning, a personalised learning budget and individual coaching. A Virgin-wide mentoring programme gives access to an extensive network of colleagues to mentor or be mentored. The new leadership development offering 'Trailblazers' is designed around the Virgin values, Human, Visionary and Brave, and supports leaders to drive strategy and ensure Virgin remains a place for people to thrive.

#### *c) The need to foster the Company's business relationships with suppliers, customers and others*

During the year, Virgin Management's main suppliers have continued to be service providers such as legal firms, consultancies, marketing agencies and providers of IT support, HR services, facilities support and travel. Close working relationships have been maintained with key suppliers, and Virgin Management has continued to work constructively with many of them to share best practices on matters such as environmental and labour standards.

The Company reports annually under the Modern Slavery Act 2015; a full report can be found here: <https://www.virgin.com/modern-slavery-act>.

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### Strategic Report for the Year Ended 31 December 2024

The Company fosters particularly close relationships with Licensees of the Virgin brand, through engagement as a brand licensor where standards and principles are mandated, and metrics such as customer and people experience (including Net Promoter Score), ethical procurement, social and environmental impact, governance approaches and purpose are tracked and discussed at regular brand engagement forums. The Board has appointed dedicated teams whose remit is to work with its Virgin-branded investments and Licensees in support of these areas.

The Virgin Group also influences and guides the strategy of Virgin businesses, including in respect of their approach to suppliers and customers, through the Virgin Group's role as a shareholder and brand licensor (including through the Virgin Group's representative directors on the boards of certain investee companies and brand Licensees).

The Virgin Group continues to focus on its relationship with its customers through its enhanced loyalty programme run by Virgin Red Limited ("Virgin Red") which has a growing membership base and drives an increase in the number of customers interacting with other Virgin-branded businesses.

#### *d) The impact of the Company's operations on the community and environment*

In 2024, the VHL Board approved an updated Climate Action Plan strategy that set out five key workstreams to deliver between 2024 and 2030. The Climate Action Plan is to be reviewed annually, to ensure that the Company's goals meet best practice standards.

Strategic projects and targets have been set against five pillars and, throughout the year, the VHL Board regularly assessed the Virgin Group's impacts against the Climate Action Plan alongside the wider consideration of how it can influence positive and systemic change. The five pillars include:

1. Net Zero within the Science Based Targets initiative by 2050 at the latest.
2. Carbon Budgeting for Scope 3 business travel.
3. Implementation of a shadow carbon price.
4. 100% sustainable electricity use by 2030.
5. Impactful public case studies demonstrating progress.

The Board of the Company reviews progress on carbon reduction across its brand Licensees including advising and supporting those companies through sustainability teams, ESG committees (where established) and through the Virgin Group's representative directors on the boards of certain brand Licensees. Engagement with brand Licensees on these matters is based on a materiality cadence as determined by clear and defined metrics.

Virgin Management, Virgin Start Up Limited ("Virgin StartUp") and Virgin Red are active supporters of the Better Business Act, a campaign launched in 2021 to amend Section 172 of the Companies Act 2006 to ensure every business in the UK aligns the interests of its shareholders with those of wider society and the environment. The Company codified its intentions towards its wider stakeholders by adopting updated Articles of Association in October 2022, taking a significant step forward in ensuring its purpose of 'Changing Business for Good' is integral to all that it does and ensuring that every strategic and business decision is made in accordance with its Vision and Purpose pillars.

The purpose decision making filter continues to be used by every team in the business to help colleagues make more purpose-driven decisions in their day-to-day roles. Using the filter ensures that themes such as diversity, equity, inclusion, sustainability and human rights are evident and considered in all major decisions.

## Virgin Enterprises Limited

### Strategic Report for the Year Ended 31 December 2024

The Board understands the Virgin Group's environmental impact and is committed to minimising negative climate impacts and transitioning towards more sustainable solutions for the benefit of the planet and its communities. The Virgin Group is active in promoting, investing in and supporting innovative, sustainable start-up businesses to encourage entrepreneurs the world over to use their skills to tackle the climate crisis.

As part of Virgin Group's awareness of its social responsibility, throughout the year it has continued to engage in a comprehensive range of activities, including:

- Financial and operational support for Virgin Unite, the independent philanthropic foundation of the Virgin Group and the Branson family (the value of donations in the year provided by the Company were approximately £5.6 million. These are included in the value of donations and support provided in the year by the Virgin Group of approximately £10 million);
- Financial and operational support for Virgin StartUp, which was founded by the Virgin Group to help founders in the UK to start and scale early-stage businesses including through access to loans from the UK Government's Start Up Loans Company (the total value of financial support provided in the year from the Virgin Group to Virgin StartUp was approximately £1 million);
- Continued to support Sir Richard Branson's advocacy agenda, including in relation to:
  - Comprehensive global drug policy reform that champions decriminalisation, legalisation and harm reduction;
  - Universal abolition of the death penalty;
  - Broad criminal justice reforms that help end mass incarceration, champion rehabilitation and employment and reform criminal record laws;
  - Greater awareness of and support for neurodiversity, particularly dyslexia;
  - LGBTQ+ inclusion and global efforts to counter marginalisation and persecution of LGBTQ+ populations; and
  - Promotion of progressive business practices across the Virgin Group, such as recruiting people with criminal records through fair chance hiring principles in the UK or the integration of refugee-led businesses in supply chains.

In the community, Virgin Management expanded its existing community work through staff participation in The Local Soup Kitchen, which provides free meals for the homeless, elderly, lonely and vulnerable in London, and with Hestia, a London-based charity that provides support to adults and children in times of crisis.

#### **e) The desirability of the Company maintaining a reputation for high standards of business conduct**

Virgin Management has specific policies on modern slavery and anti-bribery and corruption and undertakes due diligence on potential investments, partners, suppliers and other third parties to ensure high ethical standards are applied. These policies are regularly reviewed and all employees are required to complete interactive training to embed their understanding.

The Virgin Group also understands that business has a wider responsibility to promote good and should not exist purely for commercial profit. Virgin Management, Virgin StartUp and Virgin Red continue to publicly support the Better Business Act's campaign to change how business is undertaken by aligning the interests of a company's shareholders with those of wider society and the environment equally. The Company's Directors are empowered to exercise their judgement in weighing up and advancing the interests of all stakeholders as codified in the Company's Articles of Association.

The Virgin Group understands that the tax it pays is an important part of its wider economic and social impact and plays a key role in development, both inside and outside the UK. The Virgin Group pays tax on business profits in the jurisdiction in which those profits are generated. For example, the Company is tax resident in the UK and pays UK tax on the royalties it receives from its global brand Licensees. The Virgin Group's approach to tax is explained in its Tax Strategy Statement which is available on [www.virgin.com](http://www.virgin.com).



## Virgin Enterprises Limited

### Strategic Report for the Year Ended 31 December 2024

#### *f) The need to act fairly between members of the Company*

The Virgin Group has been in operation for more than 50 years having been founded by Sir Richard Branson in 1970. Virgin Group Holdings Limited, the ultimate parent of the Company, is controlled by Sir Richard Branson and certain trusts whose beneficiaries include members of the Branson family and philanthropic causes.

Approved by the Board of Directors on 24 June 2025 and signed on its behalf by:

Signed by:



A65D11FC8220453.....

A L Burchett  
Director  
Whitfield Studios  
50A Charlotte Street  
London  
United Kingdom  
W1T 2NS

## **Virgin Enterprises Limited**

### **Directors' Report for the Year Ended 31 December 2024**

The Directors present their report and the financial statements for the year ended 31 December 2024.

#### **Results and dividends**

The profit for the year, after tax, amounted to £152.9 million (2023: £50.0 million).

On 27 November 2024, the Company declared and settled a dividend in specie of £140 million to its parent company, VEL Holdings Limited, comprising an intercompany loan receivable balance. The dividend in specie was onward distributed to Virgin Management, of which £125 million was distributed to VHL to enable the Virgin Group to invest in businesses including Virgin Voyages, Virgin Hotels Collection and real estate. VHL acts as the main treasury company for the Virgin Group.

Post year-end, on 10 February 2025, the Company declared and settled a dividend in specie of £8 million to its parent company, VEL Holdings Limited, comprising an intercompany loan receivable balance.

#### **Charitable donations**

Charitable donations of £5.6 million (2023: £8.2 million) were made to Virgin Unite, the independent entrepreneurial foundation of the Virgin Group and Branson Family during the year. No political donations were made during the current or prior year.

#### **Streamlined Energy and Carbon Reporting**

The Company is required to report on its own limited energy consumption under the Streamlined Energy and Carbon Reporting requirements. The energy consumption for the Company has been incorporated and disclosed in the consolidated financial statements of its intermediate parent company, Virgin Holdings Limited.

#### **Directors of the Company**

The directors, who held office during the year, were as follows:

W P Budd

C J Hilton

A L Burchett

J D Margison

#### **Disclosure of information to the auditors**

Each of the persons who are Directors at the time when the Directors' Report is approved have confirmed that:

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the steps that ought to have been taken as Directors in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

## Virgin Enterprises Limited

### Directors' Report for the Year Ended 31 December 2024

#### Reappointment of auditors

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

This report was approved by the Board of Directors on 24 June 2025 and signed on its behalf by:

Signed by:



.....A55D11FC8239453.....

A L Burchett

Director

Whitfield Studios

50A Charlotte Street

London

United Kingdom

W1T 2NS

## **Virgin Enterprises Limited**

### **Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements**

The Directors are responsible for preparing the Strategic Report, 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), including FRS 101 Reduced Disclosure Framework.

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 apply them consistently;
- make judgements and accounting 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility 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.

## Virgin Enterprises Limited

### Independent Auditor's Report to the Members of Virgin Enterprises Limited

#### Opinion

We have audited the financial statements of Virgin Enterprises Limited ("the Company") for the year ended 31 December 2024 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in Note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

#### Going Concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

## Virgin Enterprises Limited

### Independent Auditor's Report to the Members of Virgin Enterprises Limited

#### **Fraud and breaches of laws and regulations - ability to detect**

##### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Directors and finance management as to the Company's high-level policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as. On this audit we do not believe there is a fraud risk related to revenue recognition because the accounting for the revenue is non-complex, and subject to limited levels of judgement with limited opportunities to fraudulently manipulate revenue.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management, those posted and approved by the same user, those posted to unusual accounts, those having unusual descriptions and those posted post close.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

##### *Identifying and responding to risks of material misstatement related to compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Directors and other management (as required by auditing standards), and discussed with the Directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

## **Virgin Enterprises Limited**

### **Independent Auditor's Report to the Members of Virgin Enterprises Limited**

#### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

#### **Strategic Report and Directors' Report**

The Directors are responsible for the Strategic Report and the Directors' Report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the Strategic Report and the Directors' Report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- We have not identified material misstatements in the Strategic Report and the Directors' Report;
- In our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- In our opinion those reports have been prepared in accordance with the Companies Act 2006.

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

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

#### **Directors' responsibilities**

As explained more fully in their statement set out on page 10, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## Virgin Enterprises Limited

### Independent Auditor's Report to the Members of Virgin Enterprises Limited

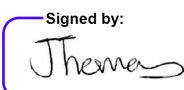
#### Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

#### The purpose of our audit work and to whom we owe our responsibilities

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.

Signed by:  
  
.....50478BE5EFCF42E.....

James Thomas (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
*Chartered Accountants*

15 Canada Square  
London  
E14 5GL

Date: 24 June 2025



## Virgin Enterprises Limited

### Statement of Comprehensive Income for the Year Ended 31 December 2024

	Note	2024 £ 000	2023 £ 000
Turnover	2	110,469	90,049
<b>Gross profit</b>		110,469	90,049
Administrative expenses	4	(35,115)	(38,044)
Other operating income	3	93,998	10,859
<b>Operating profit</b>		169,352	62,864
Interest receivable and similar income	8	3,717	1,573
Interest payable and similar charges	9	(2,901)	(559)
<b>Profit before tax</b>		170,168	63,878
Income tax expense	10	(17,300)	(13,808)
<b>Profit for the year</b>		152,868	50,070
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year</b>		152,868	50,070

The above results were derived from continuing operations.

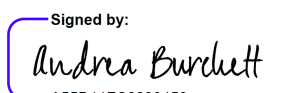
There were no recognised gains and losses for 2024 and 2023 other than those included in the Statement of Comprehensive Income.

The notes on pages 18 to 34 form an integral part of these financial statements.

**Virgin Enterprises Limited**  
**(Registration number: 01073929)**  
**Balance Sheet as at 31 December 2024**

	Note	2024 £ 000	2023 £ 000
<b>Non-current assets</b>			
Intangible assets	11	40,387	43,657
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	261,625	77,738
Deferred tax asset	10	28,890	114
Cash at bank and in hand	13	464	1,400
		290,979	79,252
<b>Creditors: amounts falling due within one year</b>	14, 15	(167,639)	(39,308)
<b>Net current assets</b>		123,340	39,944
<b>Total assets less current liabilities</b>		163,727	83,601
<b>Creditors: Amounts falling due after more than one year</b>	14, 15	(84,702)	(17,194)
Provisions for liabilities	17	-	(250)
<b>Net assets</b>		79,025	66,157
<b>Capital and reserves</b>			
Share capital	16	6,365	6,365
Share premium		2,600	2,600
Profit and loss account		70,060	57,192
<b>Shareholders' funds</b>		79,025	66,157

These financial statements were approved and authorised by the Board of Directors and were signed on its behalf on 24 June 2025.

Signed by:  
  
A55D14FC8289453.....  
A L Burchett  
Director

## Virgin Enterprises Limited

### Statement of Changes in Equity for the Year Ended 31 December 2024

	Share capital £ 000	Share premium £ 000	Profit and loss account £ 000	Total £ 000
Balance as at 1 January 2024	6,365	2,600	57,192	66,157
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	152,868	152,868
<b>Total comprehensive income</b>	-	-	152,868	152,868
<b>Transactions with owners, recorded directly in equity</b>				
Dividends	-	-	(140,000)	(140,000)
Balance as at 31 December 2024	6,365	2,600	70,060	79,025

	Share capital £ 000	Share premium £ 000	Profit and loss account £ 000	Total £ 000
Balance at 1 January 2023	6,365	2,600	67,122	76,087
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	50,070	50,070
<b>Total comprehensive income</b>	-	-	50,070	50,070
<b>Transactions with owners, recorded directly in equity</b>				
Dividends	-	-	(60,000)	(60,000)
Balance at 31 December 2023	6,365	2,600	57,192	66,157

The notes on pages 18 to 34 form an integral part of these financial statements.

## Virgin Enterprises Limited

### Notes to the Financial Statements for the Year Ended 31 December 2024

#### 1 Accounting policies

##### 1.1 Basis of preparation

Virgin Enterprises Limited (the "Company") is a private company limited by shares, incorporated and domiciled in England and Wales. The registered office address is Whitfield Studios, 50A Charlotte Street, London, United Kingdom, W1T 2NS. The registration number is 01073929.

The Company's intermediate parent, Virgin Holdings Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Virgin Holdings Limited are available to the public and may be obtained from the address in Note 19.

The financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of UK-adopted international accounting standards ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions have been taken.

In these financial statements, the Company has applied the exemptions under FRS 101 in respect of the following disclosures:

- the requirements of IAS 7 statement of cash flows and related notes;
- comparative period reconciliations for share capital, tangible and intangible fixed assets;
- the requirements of IAS 24 related party disclosures in respect of wholly owned subsidiaries;
- disclosures in respect of the compensation of Key Management Personnel;
- the requirements of IFRS 7 financial instruments disclosures;
- disclosure of the objectives, policies and processes for managing capital; and
- the effects of new but not yet effective IFRSs.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the Directors, in the application of these accounting policies that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in Note 1.16.

The financial statements are prepared in sterling, which is the functional currency of the Company, and rounded to the nearest thousand.

## **Virgin Enterprises Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2024**

#### **1.2 Going concern**

The Directors have considered the working capital position of the Company and its expected cash outflows for a period of at least 12 months from the date of approval of these financial statements which indicate that the Company will have sufficient funds to meet its liabilities as they fall due for the period.

In making this assessment, the Directors have considered the impact of the current macroenvironment uncertainty on Licensees and downside scenarios which include the risk that certain royalty debtors are not recoverable. Alongside this, they have considered the Company's ability to cover its operating expenses through existing liquid assets and access to further available liquidity including undrawn credit facilities.

The Directors have also considered downside scenarios which include the risk that certain royalty debtors are not recoverable. Alongside this, they have considered the Company's ability to cover its operating expenses through existing liquid assets and access to further available liquidity including undrawn credit facilities.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least twelve months from the date of approval of the financial statements and have prepared the financial statements on a going concern basis.

#### **1.3 Turnover**

Turnover comprises royalties receivable under TMLAs, which the Company has entered into with companies using the Virgin brand. Royalties are typically based on a percentage of the revenues of the Licensee, subject to minimum guarantees, and are recognised in accordance with IFRS 15's principle-based five-step model as follows:

- contract with a customer is identified;
- contract performance obligations are identified;
- transaction price is determined;
- transaction price is allocated to each performance obligation; and
- upon satisfaction of each performance obligation the turnover is recognised.

Royalties are invoiced and recognised based on access to the Virgin brand in line with TMLAs. Payments in respect of invoiced royalties are received on a quarterly basis.

#### **1.4 Employee benefits**

A defined contribution plan is a pension plan under which fixed contributions are paid into a separate entity and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans contributions are paid into publicly or privately administered pension insurance plans on a mandatory or contractual basis. The contributions are recognised as an employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as an asset.

#### **1.5 Foreign currency**

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

## Virgin Enterprises Limited

### Notes to the Financial Statements for the Year Ended 31 December 2024

#### 1.6 Dividends

A dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

#### 1.7 Finance income and costs

Interest payable and similar charges include interest payable, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the Statement of Comprehensive Income (see foreign currency accounting policy).

Interest receivable and similar income includes interest receivable on loans receivable and net foreign exchange gains.

Interest receivable and interest payable is recognised in the Statement of Comprehensive Income as it accrues, using the effective interest method.

#### 1.8 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

The Company has assessed the impact of the Organisation for Economic Cooperation and Development's Pillar Two model rules, which establish a global minimum tax rate of 15%. Based on this assessment, the Company confirms that it is not subject to Pillar Two income taxes for the year ended 31 December 2024. Accordingly, no disclosures or provisions related to Pillar Two have been included in these financial statements.

#### 1.9 Intangible assets

Trade marks and licences acquired separately are shown at historical cost.

Trade marks, licences (including software) and customer-related intangible assets acquired in a business combination are recognised at fair value at the acquisition date.

Finite useful life intangible assets are amortised over the useful economic life of the licence.

The useful economic lives of the intangible assets held by the Company vary between 15 to 30 years.

Trade marks, licences and customer-related intangible assets have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

## Virgin Enterprises Limited

### Notes to the Financial Statements for the Year Ended 31 December 2024

#### 1.10 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives, or intangible assets that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Comprehensive Income.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### 1.11 Financial assets and liabilities

##### *Classification*

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument. In accordance with IFRS 9, financial instruments are recorded initially at fair value. Subsequent measurement of those instruments at the balance sheet date reflects the designation of the financial instrument. The Company determines the classification at initial recognition and re-evaluates this designation at each reporting date except for those financial instruments measured at fair value through the Statement of Comprehensive Income.

##### *Recognition and measurement*

Non-derivative financial assets are deemed to be assets which have no fixed or determinable payments that are not quoted in an active market and would therefore be classified as 'loans and receivables'. Such non-derivative financial assets are measured at amortised cost using the effective interest method, less any impairment, and include trade and other receivables. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Non-derivative financial liabilities are initially recorded at fair value less directly attributable transaction costs, and subsequently at amortised cost and include loans and borrowings and trade and other payables.

##### *Impairment*

##### *Impairment of non-derivative financial assets*

The Company assesses at each balance sheet date whether a non-derivative financial asset is impaired. The expected credit loss approach is taken when calculating impairments on financial assets. All financial assets are reviewed for historic write-offs and this proportion is applied to its class of financial assets to calculate the required provision.

## Virgin Enterprises Limited

### Notes to the Financial Statements for the Year Ended 31 December 2024

#### *Derecognition of non-derivative financial assets*

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

#### *Derecognition of non-derivative financial liabilities*

The Company derecognises a financial liability only when the Company's obligations are discharged, cancelled or they expire. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, it is treated as a derecognition of the original liability and the recognition of a new liability. Any difference in the respective carrying amounts are recognised in the Statement of Comprehensive Income.

#### **1.12 Debtors**

Trade debtors are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the debtors.

#### **1.13 Cash and cash equivalents**

Cash comprises deposits with financial institutions.

#### **1.14 Creditors**

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### **1.15 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made they are charged to the provision carried on the balance sheet.



## Virgin Enterprises Limited

### Notes to the Financial Statements for the Year Ended 31 December 2024

#### 1.16 Accounting estimates and judgements

The preparation of the financial statements in conformity with FRS 101 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from the estimates calculated.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

#### *Recognition period of the amended TMLA with Virgin Money*

On 1 October 2024, Nationwide acquired Virgin Money and as part of the transaction the existing TMLA between the Company and Virgin Money was amended. The amended TMLA runs until 30 September 2028, with an additional 2 year cessation period for a total consideration of £310 million over that period. Management applied judgement in determining the period over which the consideration will be recognised and have concluded that, under IFRS 15, the amended TMLA represents a single performance obligation and as such, the total consideration of £310 million will be discounted where appropriate, and recognised in the Statement of Comprehensive Income over 6 years.

This transaction is a key driver for the increase in royalty income (Note 2), interest expense (Note 9) and contract liabilities (Note 14).

## 2 Turnover

The analysis of the Company's turnover for the year is as follows:

	2024	2023
	£ 000	£ 000
Royalty income	110,469	90,049

The analysis of the Company's turnover for the year by geography is as follows:

	2024	2023
	£ 000	£ 000
United Kingdom	62,563	48,772
Europe	8,010	7,436
North America	20,165	14,906
Middle East and Africa	4,908	4,475
Asia	1,244	1,241
Oceania	13,579	13,219
	110,469	90,049

Royalty income, recognised in accordance with IFRS 15 and the accounting policy outlined in Note 1.16, increased by £20.4m in the period primarily due to the amended TMLA with Virgin Money and strong operational performance by Virgin Voyages.

## Virgin Enterprises Limited

### Notes to the Financial Statements for the Year Ended 31 December 2024

#### 3 Other operating income

The analysis of the Company's other operating income for the year is as follows:

	2024 £ 000	2023 £ 000
Other operating income	93,998	10,859

Other operating income includes £92.4 million (\$116.6 million) (2023: £8.1 million (\$10.2 million)) received from Brightline Holdings LLC ("Brightline") during the year, in respect of legal damages awarded to the Company under the Virgin Trains USA TMLA.

In November 2018, Brightline entered a TMLA with the Company to use the brand Virgin Trains USA. Brightline purported to terminate the contract in mid-2020 arguing that the Virgin brand was damaged and no longer of international high repute. Following this purported termination, the Company terminated the TMLA for repudiatory breach and subsequently brought proceedings against Brightline in the High Court.

Following a trial during July 2023, on 12 October 2023, the High Court agreed with the Company's position and gave judgement that damages were payable to the Company for repudiatory breach of the TMLA. Brightline subsequently appealed the High Court's decision in November 2023 and made a part payment of £8.1 million (\$10.2 million) in December 2023.

The Court of Appeal rejected Brightline's appeal in February 2024. Brightline settled the remaining damages, interest and additional fees totalling of £93.7 million (\$118.3 million) in 2024 which have been recognised in the financial statements during the period. Damages and additional fees of £92.4 million (\$116.6 million) have been recognised in other operating income and interest of £1.3 million (\$1.7 million) has been recognised in other finance income (Note 8).

#### 4 Operating profit

Arrived after charging/(crediting):

	2024 £ 000	2023 £ 000
Foreign exchange losses/(gains)	4,993	(388)
Amortisation charge	3,270	4,279
Fair value loss on disposal of derivative	211	229
Management fees	13,688	11,218

#### 5 Auditors' remuneration

	2024 £ 000	2023 £ 000
Audit of the financial statements	75	81

There were no non audit services provided in 2024 or 2023.

## Virgin Enterprises Limited

### Notes to the Financial Statements for the Year Ended 31 December 2024

#### 6 Staff costs

The aggregate payroll costs (including Directors' remuneration) were as follows:

	<b>2024</b>	<b>2023</b>
	<b>£ 000</b>	<b>£ 000</b>
Wages and salaries	(317)	6,175
Social security costs	(43)	766
Pension costs, defined contribution scheme	-	323
	<u>(360)</u>	<u>7,264</u>

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

	<b>2024</b>	<b>2023</b>
	<b>No.</b>	<b>No.</b>
Administration and support	-	39

The Company does not directly employ people and has service agreements with management companies across the Virgin Group. The employees of those management companies provide services to the Company which include the management, protection and development of the Virgin Brand and other back-office support functions. The total costs associated with providing these services are charged to the Company on an arm's length basis. In 2023, employees who primarily provided services to the Company were treated as if they were the Company's employees, included in the employee numbers and their costs included as staff costs.

As these employees now provide services across the Virgin Group, the charges are treated as administration costs and included in administrative expenses in the Statement of Comprehensive Income. Hence, refer to Note 4 for further details.

In 2024, the Company has not separately disclosed employee numbers or staff costs charged from other Virgin Group companies as all information relating to staff costs and employee numbers is disclosed in the financial statements of the underlying employing Virgin Group company.

The credit of £360,000 relates to an accrual for the long term incentive plan recorded in 2023 and released in 2024.

#### 7 Directors' remuneration

Remuneration for all Directors is paid by other Virgin Group companies.

The Directors' remuneration in respect of qualifying services provided to the Company during the year was as follows:

	<b>2024</b>	<b>2023</b>
	<b>£ 000</b>	<b>£ 000</b>
Directors' emoluments	1,889	3,173
Company contributions to defined contribution pension schemes	29	39
	<u>1,918</u>	<u>3,212</u>

## Virgin Enterprises Limited

### Notes to the Financial Statements for the Year Ended 31 December 2024

In respect of the highest paid Director:

	<b>2024</b>	<b>2023</b>
	<b>£ 000</b>	<b>£ 000</b>
Remuneration	<u>612</u>	<u>1,148</u>

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £8,000 (2023: £nil).

#### 8 Interest receivable and similar income

	<b>2024</b>	<b>2023</b>
	<b>£ 000</b>	<b>£ 000</b>
Interest income from group related undertakings	1,742	1,541
Other finance income	<u>1,975</u>	<u>32</u>
	<u><u>3,717</u></u>	<u><u>1,573</u></u>

Other finance income in 2024 includes interest of £1.3 million (\$1.7 million) received from a legal case, as outlined in Note 3.

#### 9 Interest payable and similar charges

	<b>2024</b>	<b>2023</b>
	<b>£ 000</b>	<b>£ 000</b>
Interest expense on contract liabilities	2,901	426
Net foreign exchange losses	<u>-</u>	<u>133</u>
	<u><u>2,901</u></u>	<u><u>559</u></u>

The Company recorded an interest expense of £2.5 million in the period relating to the amended TMLA with Virgin Money. This was recognised in accordance with IFRS 15 and the accounting policy outlined in Note 1.16.

## Virgin Enterprises Limited

### Notes to the Financial Statements for the Year Ended 31 December 2024

#### 10 Income tax expense

The major components of income tax expense for the years ended 31 December 2024 and 2023 are:

	2024 £ 000	2023 £ 000
<b>Current taxation</b>		
UK corporation tax	44,693	12,605
Adjustments in respect of previous periods	167	11
Foreign tax	1,216	1,200
	<u>46,076</u>	<u>13,816</u>
<b>Deferred taxation</b>		
Relating to the origination and reversal of temporary differences	(28,776)	71
Relating to changes in tax rates	-	4
Adjustments in respect of previous periods	-	(83)
	<u>(28,776)</u>	<u>(8)</u>
<b>Income tax expense reported in the Statement of Comprehensive Income</b>	<u>17,300</u>	<u>13,808</u>

The reconciliation between the tax charge and the accounting profit multiplied by the UK corporation tax rate for the years ended 31 December 2024 and 2023 is as follows:

	2024 £ 000	2023 £ 000
Profit before tax	<u>170,168</u>	<u>63,878</u>
Profit before tax multiplied by standard rate of corporation tax in the UK of 25.00% (2023 - 23.50%)	42,542	15,011
Non-deductible expenses	612	490
Tax losses utilised for nil consideration	(25,850)	-
Non-taxable income	-	(1,459)
Double tax relief	(171)	(166)
Deferred tax effect of changes in statutory tax rates	-	4
Recognition of previously unrecognised deferred tax assets	-	11
Adjustments in respect of current income tax of prior years	167	-
Adjustments in respect of deferred income tax of prior years	-	(83)
<b>Income tax expense reported in the Statement of Comprehensive Income</b>	<u>17,300</u>	<u>13,808</u>

## Virgin Enterprises Limited

### Notes to the Financial Statements for the Year Ended 31 December 2024

#### Recognised deferred tax assets and liabilities

Deferred tax assets are attributable to the following:

#### 2024

	At 1 January 2024 £ 000	Recognised in Statement of Comprehensive Income £ 000	At 31 December 2024 £ 000
Decelerated capital allowances	9	(1)	8
Other timing differences	105	28,777	28,882
	<u>114</u>	<u>28,776</u>	<u>28,890</u>

Included in other timing differences is a deferred tax asset of £28.86m (2023: £nil) relating to consideration received from Virgin Money which is taxable on receipt, prior to recognition in the Statement of Comprehensive Income.

#### 2023

	At 1 January 2023 £ 000	Recognised in Statement of Comprehensive Income £ 000	At 31 December 2023 £ 000
Decelerated capital allowances	10	(1)	9
Other timing differences	96	9	105
	<u>106</u>	<u>8</u>	<u>114</u>

The standard rate of corporation tax applied to the reported profit is 25% (2023: 23.5%).

A change to the main UK corporation tax rate from 19% to 25% (effective from 1 April 2023) was substantively enacted on 24 May 2021. Accordingly, the deferred tax asset as at 31 December 2024 has been calculated at the rate of 25% (2023: 25%).

## Virgin Enterprises Limited

### Notes to the Financial Statements for the Year Ended 31 December 2024

#### 11 Intangible assets

	Trade marks and licenses £ 000	Software £ 000	Total £ 000
<b>Cost</b>			
At 1 January 2024	94,779	1,010	95,789
At 31 December 2024	94,779	1,010	95,789
<b>Amortisation</b>			
At 1 January 2024	51,122	1,010	52,132
Amortisation charge	3,270	-	3,270
At 31 December 2024	54,392	1,010	55,402
<b>Carrying amount</b>			
At 31 December 2024	40,387	-	40,387
At 31 December 2023	43,657	-	43,657

#### Impairment assessment

The recoverable amount of each intangible asset is calculated by reference to its value in use. Forecast cash flows are discounted at a pre-tax weighted average cost of capital ("WACC") rate and extrapolated into either perpetuity or the expiry of the licence agreement.

All intangible assets held by the Company have been tested for impairment and no impairments were identified during the year (2023: £nil).

At 31 December 2024, the intangible asset balance comprises of various intangible assets linked to specific TMLAs which the Company is party to. Assumptions applied in impairment testing are specific to each asset. The key assumptions applied are summarised in the table below:

#### 2024

Carrying Value (£000)	Pre-Tax WACC	Growth rate	NPV (£000)	Remaining useful life
40,387	8.28% - 25.50%	2%	170,279	1 - 16 years

#### 2023

Carrying Value (£000)	Pre-Tax WACC	Growth rate	NPV (£000)	Remaining useful life
43,657	7.49% - 27.57%	2%	171,740	2 - 17 years

## Virgin Enterprises Limited

### Notes to the Financial Statements for the Year Ended 31 December 2024

#### 12 Trade and other debtors

	<b>2024</b>	<b>2023</b>
	<b>£ 000</b>	<b>£ 000</b>
Trade receivables	7,199	5,134
Amounts due from group related undertakings	222,762	41,654
Prepayments and contract assets	31,660	25,575
Other debtors	4	5,375
	<u>261,625</u>	<u>77,738</u>

#### 13 Cash and cash equivalents

	<b>2024</b>	<b>2023</b>
	<b>£ 000</b>	<b>£ 000</b>
Cash at bank	<u>464</u>	<u>1,400</u>

#### 14 Trade and other creditors

	<b>2024</b>	<b>2023</b>
	<b>£ 000</b>	<b>£ 000</b>
Trade payables	859	185
Accrued expenses and contract liabilities	51,817	5,089
Amounts due to group related undertakings	87,055	27,523
Other payables	27,313	2,271
Corporation tax	595	4,240
	<u>167,639</u>	<u>39,308</u>

#### Amounts falling due after more than one year:

	<b>2024</b>	<b>2023</b>
	<b>£ 000</b>	<b>£ 000</b>
Contract liabilities	<u>84,702</u>	<u>17,194</u>
	<u>84,702</u>	<u>17,194</u>

Contract liabilities were recorded in 2024 relating to the amended TMLA with Virgin Money. They were recognised in line with IFRS 15 and the accounting policy outlined in Note 1.16.



Virgin Enterprises Limited

Notes to the Financial Statements for the Year Ended 31 December 2024

15 Loans and borrowings

On 24 January 2019, Virgin Holdings Limited, the Company and VEL Holdings Limited, as borrowers and guarantors entered into a multi-currency revolving credit facility with Barclays Bank plc, HSBC UK Bank plc, Credit Suisse AG and Lloyds Bank plc.

On 29 December 2022, the facility was amended and restated such that the facility comprises of "Facility A Tranche 1", a \$81,293,332 term debt facility, "Facility A Tranche 2", a £33,000,000 term debt facility, and "Facility B", a £50,000,000 multi-currency revolving credit facility. All facilities terminate on 3 January 2026 with an option to extend for two one year periods.

Facilities A and B are guaranteed by Virgin Holdings Limited, the Company, VEL Holdings Limited, Virgin Group Holdings Limited and Virgin Aviation TM Limited.

Both Facility A Tranche 1 and Facility A Tranche 2 were repaid on 16 October 2024 and cancelled. Facility B was cancelled on 16 October 2024.

16 Capital and Reserves

Share capital

*Allotted, called up and fully paid shares*

	2024	2023
	£ 000	£ 000
6,365,001 ordinary shares of £1 each	6,365	6,365

Profit and loss account

On 27 November 2024, the Company declared and settled a dividend in specie of £140 million to its parent company VEL Holdings Limited, comprising an intercompany loan receivable balance.

Virgin Enterprises Limited

Notes to the Financial Statements for the Year Ended 31 December 2024

17 Provisions

	2024
	£ 000
At January 2024	250
Amounts utilised	(250)
	<hr/>
At 31 December 2024	-
	<hr/>

In 2018 Alaska Airlines, Inc. acquired Virgin America, Inc. a US listed business, which was then merged into Alaska Airlines, Inc. In 2019, Alaska Airlines, Inc. re-branded the Virgin America planes and assets and retired use of the Virgin America brand name. At that time it ceased paying the Minimum Royalty in breach of the terms of the TMLA between Virgin America, Inc., Virgin Aviation TM Limited and the Company. Following this, Virgin Aviation TM Limited and the Company brought proceedings against Alaska Airlines, Inc. in the English High Court on the correct interpretation of the payment obligations in the TMLA.

On 16 February 2023, the High Court agreed with Virgin's position and gave judgment that the Minimum Royalty was due under the TMLA, even though Alaska Airlines, Inc. ceased to use the Virgin brand. Alaska Airlines were granted leave to appeal by the Court of Appeal in July 2023. Following the High Court judgement, Alaska Airlines, Inc. made a payment to the Company of £2.2 million in settlement of the court order to pay legal fees.

In the 2023 financial statements, a provision of £250,000 for expected legal fees to be incurred in defending Virgin's position in the appeal was made.

The appeal was heard in March 2024 and on 11 June 2024 the Court of Appeal unanimously rejected the appeal made Alaska Airlines, Inc. The provision for legal fees was fully utilised in 2024 and no further provisions have been recognised in the 2024 financial statements.

In related litigation, Alaska Airlines Inc. brought proceedings against the Company and Virgin Aviation TM Limited in September 2022 asserting, inter alia, breach of the TMLA. In relation to this, the Company and Virgin Aviation TM Limited served their defence and counterclaim in April 2023 and, in February 2025, brought proceedings against Alaska Airlines, Inc. for strike out and summary judgement, the outcome of which is anticipated in 2025. Any impacts will be reflected in the 2025 financial statements.

## Virgin Enterprises Limited

### Notes to the Financial Statements for the Year Ended 31 December 2024

#### 18 Related party transactions

At 31 December 2024, the Company's ultimate parent company was Virgin Group Holdings Limited ("VGHL"), a company incorporated in the British Virgin Islands. VGHL is controlled by Sir Richard Branson and certain trusts whose beneficiaries include members of the Branson family and philanthropic causes (the "Trusts"). VGHL and its Directors, the Trusts, Sir Richard Branson and members of his family are related parties under IAS 24.

As a 100% owned subsidiary of VGHL, the Company has taken advantage of the exemption under FRS 101 - Reduced Disclosure Framework, which enables it to exclude disclosure with Virgin Group Holdings Limited and its wholly owned subsidiaries.

	Turnover £000	Debtors £000	Accrued income £000	Creditors £000
<b>2024</b>				
Virgin Hotels LLC	2,156	1,146	539	-
Virgin Red Limited	151	2,254	723	1,167
Virgin Atlantic Limited	-	40	-	-
	<u>2,307</u>	<u>3,440</u>	<u>1,262</u>	<u>1,167</u>

	Turnover £000	Debtors £000	Accrued income £000	Creditors £000
<b>2023</b>				
Virgin Hotels LLC	2,217	7	665	-
Virgin Red Limited	818	380	300	-
Virgin Orbit LLC*	629	-	-	-
	<u>3,664</u>	<u>387</u>	<u>965</u>	<u>-</u>

\*On 4 April 2023, Virgin Orbit, Inc. and its subsidiaries commenced voluntary proceedings under Chapter 11 of the U.S. Bankruptcy Code.

#### 19 Controlling party

At 31 December 2024, the Company's ultimate parent undertaking was Virgin Group Holdings Limited, a company incorporated in the British Virgin Islands.

The largest and smallest groups into which the Company's results are consolidated are those of Virgin Holdings Limited, a company registered in England and Wales. The consolidated financial statements of this group can be obtained from Companies House, Crown Way, Cardiff CF14 3UZ.

## **Virgin Enterprises Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2024**

#### **20 Events after the reporting period**

##### **Dividends**

On 10 February 2025, the Company declared and settled a dividend in specie of a £8 million loan receivable to its parent company, VEL Holdings Limited. The dividend in specie was onward distributed to Virgin Management Limited and Virgin Holdings Limited to enable the Virgin Group to continue to invest in businesses including Virgin Voyages, Virgin Hotels Collection and real estate.

##### **Bank facility**

On 27 February 2025, Virgin Holdings Limited, the Company and VEL Holdings Limited, as borrowers, entered into a multi-currency revolving credit facility of £75 million with HSBC UK Bank PLC and Lloyds Bank PLC. This facility is guaranteed by Virgin Holdings Limited, the Company, VEL Holdings Limited and Virgin Aviation TM Limited. At the date of these financial statements there is £nil drawn on the facility.