Virgin Holdings Limited and subsidiary companies

Annual Report and Financial Statements

Registered number 03609453

31 December 2024

Contents

Strategic Report
For the year ended 31 December 2024

The Directors present the Strategic Report for Virgin Holdings Limited (the "Company" or "VHL") and its subsidiaries (together the "Group") for the year ended 31 December 2024.

The Virgin Group
The Group is part of a larger group (the "Virgin Group") whose ultimate parent undertaking is Virgin Group Holdings Limited ("VGHL"), which is controlled by Sir Richard Branson and certain trusts whose beneficiaries include members of the Branson family and philanthropic causes (the "Trusts"). The Virgin Group comprises VGHL and its subsidiaries.

The Virgin Group operates as a growth capital investor, which actively invests in opportunities across both developing and developed markets in different market segments and geographies. The Virgin Group has a wide-ranging investment portfolio including majority and minority shareholdings.

The Virgin Group's investment portfolio focuses on the core sectors of Brand Licensing & Loyalty, Travel & Leisure, Health & Wellness, Telecoms & Media, Real Estate, Venture Capital and Fixed Income. The Virgin Group is also an active technology-focused venture investor with a portfolio of around 22 companies spanning the consumer internet, fintech and sharing economy sectors. The Virgin Group's aim is to deliver long-term capital appreciation through investment in these and other sectors and to partner with like-minded investors.

Certain companies within the Group, principally Virgin Management Limited in the UK, Virgin Management USA Inc. in the US and Virgin Management SA in Switzerland, provide investment management services to the Virgin Group on an arms-length basis to ensure the investment portfolio is managed effectively. In addition, VHL provides treasury services to the Virgin Group on an arms-length basis.

VEL Holdings ("VELH") and its subsidiaries license the Virgin brand under trademark licence agreements ("TMLA"s) entered into with Virgin-branded companies ("Licensees"). Licensees include both companies which form part of the Virgin Group, as well as companies in which the Virgin Group holds a minority or no ownership interest.

Financial performance
VHL is the top UK company of the Virgin Group and it owns the investments in the brand licensing, loyalty and hotels businesses. These Group financial statements present the results of these combined businesses, including Virgin Red, Virgin Hotels Collection ("VHC") and Virgin Hotels Group.

The Group generated a £152 million profit after tax for the financial year (2023: £54 million). This increased profit was driven by an increase in brand licensing revenues primarily relating to Virgin Money royalties arising from an amended TMLA and £94 million of legal damages received in the year.

The Group's net assets have increased to £197 million as at 31 December 2024 (2023: £123 million) as a result of the £152 million profit for the year (2023: £54 million) offset by £27 million other comprehensive loss (2023: £10 million other comprehensive loss) and £51 million dividend payments (2023: £nil).

Strategic Report *(continued)*
For the year ended 31 December 2024

Financial performance *(continued)*
Given the diverse nature of the Group's activities, the following review focuses individually on the principal businesses consolidated or equity accounted for in these financial statements.

Management companies
The Group provides investment management and various support services to the Virgin Group through Virgin Management companies in the UK, US, Switzerland and South Africa. This diversified operating model enables the Group to provide shared administrative functions across investment entities. It also provides the services of a head office and central support for the Virgin Group and Virgin Unite (the independent charitable foundation of the Virgin Group and the Branson family), and brand management and administrative services to the brand licensing business (see below).

Throughout the year, the Board of Directors of the Company comprised of members of the senior management team of the Virgin Group who managed day to day operations, provided advice on strategic, financial and other material matters to the VGHL board and acted as Virgin Group representatives on the boards of certain investments. With effect from 1 January 2025, the Board of the Company now comprises a smaller number of members of the senior management team. Refer to post year-end updates on page 15.

Brand licensing
VEL Holdings Limited and its subsidiaries ("Virgin Enterprises") license the Virgin brand through TMLAs with Licensee companies. Licensees include both companies which form part of the Virgin Group, as well as companies in which the Virgin Group holds no ownership interest.

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

Brand licensing income for the year ended 31 December 2024 was £107 million (2023: £93 million) and brand licensing profits after taxation, for the year, amounted to £160 million (2023: £60 million). The increase in profits in 2024 was driven by a £14 million increase in brand licensing income due to the amended TMLA with Virgin Money combined with strong operational performance by Virgin Voyages, and £94 million of legal damages from Brightline Holdings LLC ("Brightline") received in the year.

Hotels business

In 2024, VHC operated nine luxury properties worldwide (Necker Island, the Branson Beach Estate on Moskito Island, Ulusaba, Kasbah Tamadot, Mahali Mzuri, Mont Rochelle, Son Bunyola, Finch Hattons and The Lodge) and eight boutique hotels across the US and UK (Chicago, Dallas, Nashville, Las Vegas, New Orleans, Edinburgh, New York and London), generating revenue through hotel management agreements. Four of the luxury properties (Ulusaba, Kasbah Tamadot, Son Bunyola and The Lodge) are owned by Virgin Hotels Group, generating revenue from provision of accommodation and ancillary services.

The luxury properties in the portfolio delivered strong performance in 2024, led by Necker Island. The overall performance was tempered by the ongoing closure of Kasbah Tamadot, which remained out of operation until October 2024 due to the 2023 earthquake, as well as softer performance at Son Bunyola.

Financial performance *(continued)*

While the boutique hotel segment underperformed relative to budget, it made encouraging progress in growing market presence and brand momentum. This was exemplified by the successful launch of the portfolio's first London-based hotel in Shoreditch.

For the year ended 31 December 2024, the combined hotels business made a loss of £5 million (2023: loss £10 million).

Loyalty

Virgin Red Limited ("Virgin Red") manages a loyalty programme whose key aim is to drive an increase in the number of customers interacting with Virgin branded businesses. The company enables Virgin customers to earn and redeem Virgin Points across a variety of Virgin businesses and loyalty partners.

In 2024, Virgin Red continued to build its membership and enhance its offering, including the launch of unlimited availability for Virgin Atlantic reward seats, resulting in a profit after tax of £20 million for 2024 (2023: £14 million).

Virgin StartUp

The Group also includes Virgin Start Up Limited ("Virgin StartUp"), an organisation which was established to support the next generation of founders through harnessing the entrepreneurial spirit of the Virgin brand. Virgin StartUp delivers government-backed loans, mentoring and other support to entrepreneurs in the UK.

Principal risks and uncertainties

The Group faces a range of risks and uncertainties that could have an impact on the Group's long-term performance. The risks and uncertainties described below are not intended to be exhaustive, rather they comprise the key risks facing the Group:

Economic conditions

A prolonged economic downturn may result in revenue and potential profit reduction for all businesses. An unstable geopolitical and economic environment may adversely affect discretionary spending, particularly for travel and leisure activities. This could result in lower income from brand royalties, loyalty operations, and travel and leisure investments. In order to minimise this risk, the Group's Licensees and investments are diversified across different sectors and there is a focus on growth opportunities, cost control and efficient operational activity across the Group.

Brand reputation

The strong reputation and loyalty engendered by the Virgin brand drives core value for the Group. Any damage to the brand, caused by any single event or series of events, could materially impact customer loyalty and the propensity of customers to travel with, or purchase Virgin products and services, and so adversely affect the Group. The businesses regularly monitor customer satisfaction, through regular customer surveys, alongside ongoing research and development of products and services to mitigate this risk. The Group invests substantial resources to maintain its strong brand reputation and position.

Principal risks and uncertainties *(continued)*

Cyber risk

The Group, whilst maintaining adequate protection, is aware that the risk of cyber attacks is increasing and may cause significant disruption to operations or result in lost revenue. The Group, along with its suppliers, constantly monitors the risk to its operations. System controls, disaster recovery and business continuity arrangements exist to mitigate the risk of a critical system failure.

Risks specific to brand licensing

In addition to the risk to brand reputation, Virgin Enterprises is reliant on brand licensing income generated by its TMLAs and any material adverse change in the business or market in which any of the Licensees operate could affect the level of royalty income received. Key risks include the impact of the current geopolitical environment and cost of living pressures on Licensees' ability to operate and consumers ability to spend.

Virgin Enterprises takes steps to mitigate this risk through a wide distribution of Licensees, across a number of different geographies and industries, and through actively monitoring its Licensee relationships.

Risks specific to Virgin Red

Virgin Red manages loyalty members' personal data. The business could face business interruption, substantial reputational damage and financial loss (including fines) if it fails to adequately protect personal data. Data protection and data security is a top priority for the business, with a high level of senior engagement. Virgin Red has internal resources dedicated to ensuring the protection of personal data and security of its systems and has been awarded the ISO 27001 certification.

Risks specific to Virgin Hotels Collection

The VHC businesses enter into management agreements with property owners. The principal risk is deemed to be the termination of these management agreements by such owners. This is managed through diversification of the portfolio via expansion and engagement with different property owners. In addition, the businesses mitigate this risk by thoroughly evaluating each hotel project, obtaining indemnification protections and customary insurance coverages, employing an experienced management team and engaging appropriate industry consultants.

Energy and Carbon Statement

This statement has been prepared in accordance with the Group's regulatory obligation to report greenhouse gas ("GHG") emissions pursuant to the Companies (Directors' Report) and Limited Liability Partnerships ("Energy and Carbon Report") Regulations 2018, which implement the government's policy on Streamlined Energy and Carbon Reporting ("SECR").

Scope

VHL is not required to report for SECR based on its own limited energy consumption, but the Group's annual report and financial statements consolidate a number of entities which are required to report. This report, therefore, incorporates energy consumption for the following consolidated entities:

- Virgin Enterprises Limited
- Virgin Red Limited (voluntary basis)
- Virgin Management Limited (voluntary basis)

Figures outlined in this report are aggregate figures for the above-named entities.

During the year ended 31 December 2024, the Group's measured Scope 1 and 2 emissions (location-based) totalled 58 tCO_2e. This comprised:

Total Emissions	**2024 (tCO_2e)**	**2023 (tCO2e)**
Direct emissions (Scope 1)	0	1
Indirect emissions (Scope 2 - location based)	58	40
Total: Scope 1 & 2 (location based)	**58**	**41**
Indirect emissions (Scope 2 - market based)	22	13
Total emissions per FTE (location based)	**0.17**	**0.13**
Total emissions per £m revenue (location based)	**0.21**	**0.18**

The Group's Scope 1 emissions decreased to nil in the year. The Group's Scope 2 emissions increased due to a new office building being included in the Group's portfolio during 2024 resulting in additional energy consumption (both gas and electricity).

Total Scope 1&2 (location-based) emissions per FTE is 0.17 tCO2e and total Scope 1 & 2 emissions (location-based) per £m revenue equate to 0.21 tCO2e, with increases driven by the additional site in 2024.

Energy and Carbon Statement *(continued)*

Energy Efficiency Measures

The Group is committed to reducing its emissions and contributing to the global goal of net zero by 2050 aligned with science. During 2024, the Group submitted near and long-term targets to the Science-Based Target initiative ("SBTi") for validation, expanding our emission reduction strategy aligned to the 1.5°C reduction pathway. These targets were validated in June 2025.

The Group continues to make improvements to reduce its energy consumption including checking lighting PIR sensors to reduce the time for inactivity to 30-minutes and replacing light fittings that have become redundant with LED light fittings as and when they fail, in addition to purchasing 100% renewable energy tariffs. Furthermore, the new office has been fitted with a Building Management System to manage energy consumption, and has achieved an EPC A energy rating.

During the year, the energy consumption totalled 279 MWh. This comprised:

Energy Consumption	2024 MWh	2023 MWh
Fuel	1	6
Purchased electricity	278	194
Total energy consumption	**279**	**200**

The Group's energy consumption increased in 2024 due to a new office building being included in the Group's portfolio.

Methodology

The Group quantifies and reports its organisational GHG emissions in alignment with the World Resources Institute's Greenhouse Gas Protocol Corporate Accounting and Reporting Standard and in alignment with the Scope 2 Guidance. The Group consolidates its organisational boundary according to the operational control approach. Emission factors have been taken from the UK Government GHG Conversion Factors for Company Reporting 2024. Where more accurate data was available for 2023, the figures have been updated accordingly.

Section 172 Companies Act 2006

VHL is the top UK company in the Virgin Group. During the year ended 31 December 2024, the Board of the Company 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.

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 as set out below:

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

The Virgin Group is a long-term purpose-led investor and brand owner. As such, key approvals, recommendations and advice given by the Directors on investment, brand and strategic decisions take into consideration the long-term consequences and outcomes, including in respect of:

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

As it has done previously on an annual basis, the Board of Directors agreed a five-year plan for the Virgin Group with the Board of the Group's ultimate Parent Company, VGHL, and reviewed performance against that plan throughout the year, as measured by a series of in-year and longer-term strategic objectives and key performance indicators, both financial and non-financial. The plan considers financial measures including liquidity, planned investments, realisations and asset allocation, along with forecast income and expenditure. Non-financial measures include, but are not limited to, Group purpose, brand sentiment, employee engagement and progress towards sustainability goals. The plan also encompasses a review of investments held by the Virgin Group, considers their performance and outlook and recommends specific shareholder objectives in respect of such investment. This thorough planning framework then informs target setting and decision making for the Virgin Group.

Key approvals, recommendations and advice given by the Board on investment, brand, sustainability and strategic decisions during the year included:

- The disposal of the Virgin Group's interest in Virgin Money UK plc as part of the overall sale to Nationwide and entering into an amended TMLA;
- New investment alongside existing and new investors in Virgin Active to support the continued growth of the business;
- Additional equity investment in and granting of royalty concessions to Virgin Voyages alongside existing and new investors to support the long-term success of the business;
- The sale of BMR Energy, and certain assets in the Virgin Group's venture portfolio to raise additional capital; and
- Continued investment in and support to Virgin Hotels Collection, including the acquisition of a new hotel in Shoreditch, London and capital allocation for energy efficiency initiatives across the Virgin Limited Edition collection.

Section 172 Companies Act 2006 *(continued)*

b) The interests of the Virgin Group's employees

Virgin Management Limited, a wholly owned subsidiary of the Company, is the main employing entity in the Virgin Group (outside of the customer facing investee businesses). The Company and Virgin Management are committed to achieving diversity, engagement and development of their employees. Virgin Management's policies are also adopted by Virgin Red. Throughout the year, the Board of VHL has taken strategic leadership of this including through:

- Holly Branson's role as Director of the Company and the 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 Board of Directors having individual and collective objectives, which influence personal remuneration, and are based on employee engagement, inclusion and wellbeing; and
- regular 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 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 in 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 have 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; and
- 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;

Section 172 Companies Act 2006 *(continued)*

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

- Ensured that 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 the Company'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
- 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: The Company has remained committed to prioritising the wellbeing of its employees and stakeholders. It 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.

Strategic Report *(continued)*
For the year ended 31 December 2024

Section 172 Companies Act 2006 *(continued)*

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

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 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.

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

Section 172 Companies Act 2006 *(continued)*

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

In 2024, the 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 Board regularly assessed the Virgin Group's impact 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 Target initiative ("SBTi") by 2050 at the latest;
2. Carbon Budgeting for Scope 3 business travel;
3. Implementing a shadow carbon price;
4. 100% sustainable electricity use by 2030; and
5. Impactful public case studies demonstrating progress.

The Board regularly reviewed progress on carbon reduction across VHL and the Virgin Group, providing advice and recommendations that enable progress towards its achievement. In addition, the Board appointed a dedicated Sustainability team whose remit is to work with its Virgin-branded investee companies and brand licensees to support their journey to net zero, reduce other environmental impacts and social risks, work to promote diversity and inclusion and maximise opportunities to create positive social impacts.

In 2023, the Company committed its intent to reach net zero greenhouse gas emissions by 2050 at the latest. This included both a near term target to reduce the Company's Scope 1 and 2 emissions by 50% by 2030 from a 2023 baseline; and an engagement target for 68% of the Company's Scope 3 (Category 14) emissions, to commit to their own SBTi by 2029. The near- and long-term targets were validated by the SBTi in June 2025.

Section 172 Companies Act 2006 *(continued)*

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

Virgin Management, 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 Company's 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.

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 and support provided in the year was approximately £10 million);
- Financial and operational support for Virgin StartUp, which was founded by the Group to help founders in the UK to start and scale early-stage businesses including through access to loans from the UK Government's StartUp Loans Company (the total value of financial support provided in the year from the Virgin Group to Virgin StartUp was approximately £1 million); and
- The Board of the Company 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.

Strategic Report *(continued)*
For the year ended 31 December 2024

Section 172 Companies Act 2006 *(continued)*

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

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, Virgin Enterprises 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.

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. VGHL, 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.

Post year-end updates

With effect from 1 January 2025, changes have been made to the corporate holding structure of the Company and, as a result, to the composition of the Company's Board. The Board of the Company now comprises a smaller number of members of the senior management team having responsibility for the management of the Company's investments which, since 1 January 2025, has become the primary focus of the Company.

Corporate Governance Statement

The Virgin Group's core principles of business management and purpose are broadly shared across investments within the Group. Investee companies operate as distinct and separate businesses with their own boards and independent management and governance arrangements commensurate with their stage of business maturity and scale as set out in their respective annual reports.

For the year ended 31 December 2024, under The Companies (Miscellaneous Reporting) Regulations 2018, the Company voluntarily applied the Wates Corporate Governance Principles for Large Private Companies as a framework for disclosure of our corporate governance arrangements.

Principle 1 – Purpose and Leadership

The purpose of Virgin Management remains "Changing Business for Good" which continuously prompts it to consider the long-term impact of business decisions that it makes. The Board set the Company objectives for the year with clear correlation to its purpose. These Company objectives were then embedded into each employee's individual objectives, forming a key element of performance management at all levels.

Holly Branson is the Virgin Group's Chief Purpose and Vision Officer. This is part of the Virgin Group's drive to ensure that purpose is at the heart of decision-making and to further empower employees to make purpose-driven decisions, which helps drive innovation and creates a culture of continuous improvement and helps to effectively identify, mitigate and manage emergent risks.

Virgin Management has a dedicated Purpose team which works with businesses across the Virgin Group and with Virgin brand licensees to develop their purpose strategies and impact to drive their decisions and success, with positive results for employees, customers, partners, communities and the environment.

In ensuring that every strategic business decision is made in accordance with its Vision and Purpose Pillars, the Company continues to utilise a Purpose Filter, through which strategic business decisions are reviewed. This tool uses a series of questions to evaluate its decisions on topics including accountability, transparency, inclusivity, human rights, environmental sustainability and stakeholder wellbeing.

Principle 2 – Board Composition

Throughout the year, the Board comprised the Virgin Group's senior management team: Non-Executive Chairman, Chief Executive Officer, Chief Commercial Officer, Chief Loyalty Officer, Group Finance Director, Chief Purpose and Vision Officer, Chief Brand Officer, Managing Director of Portfolio Investments & Capital Markets, Chief People Officer and Chief Operating Officer. Four of the ten Directors during the year were women.

The Company's Board of Directors has considerable investment and operational experience providing a broad combination of skills to manage the investment portfolio and brand activities, to provide advice on strategic, financial, purpose and other material matters to the VGHL Board and to act as shareholder representative on the boards of certain investments.

A biography for each Board Director can be found on the Virgin Group's website:
www.virgin.com/virgingroup/content/our-senior-team

Corporate Governance Statement *(continued)*

Principle 3 – Director Responsibilities
The Board of Directors met monthly during the year with a full agenda to consider all aspects of the Virgin Group's activities. Additional days were set aside for the Board to consider longer term strategic planning. The Company and VGHL have established detailed governance processes which provide for clear lines of accountability and responsibility to support robust and efficient decision making.

Regular information was received by the Board about the performance and operations of the Virgin Group's investee businesses, the financial performance and liquidity of the Virgin Group, risks and opportunities, and material non-financial performance.

The Board continued to operate an on-going training programme to ensure it remained up to date on relevant regulatory, governance and compliance matters.

Principle 4 – Opportunity & Risk
As an entrepreneurially led Group, the Board of Directors remained focused on identifying and capitalising on a broad range of opportunities for the Virgin Group whilst having the responsibility to mitigate risk.

The principal risks of the Group and relevant mitigating actions are set out on pages 5 - 6.

The Board considered risks and opportunities for the Virgin Group in the medium and longer term as part of its annual five-year planning process and received regular updates as part of its quarterly reporting on progress against those considerations. These updates also formed the basis of the Board's regular reporting to the VGHL board.

Principle 5 – Remuneration
The remuneration policy for the Board of Directors was set by VGHL and was designed to clearly align with the long-term objectives of its stakeholders and to retain executive talent through a combination of short and longer-term incentives. As in previous years, the Company's objectives were set at the beginning of the year, encompassing people, customer, culture, brand, investment portfolio, financial strength and purpose priorities. These were shared across Virgin Management to form the basis of target setting and performance management for all employees, including the members of the Board.

Principle 6 – Stakeholder relationships and engagement
The Section 172 Statement on pages 9 - 15 sets out how the Board of Directors has regard for its broader stakeholders.

This report was approved by the board on 24 June 2025 and signed on its behalf.

Signed by:
Ash Shah
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A Shah
Director

Directors' Report
For the year ended 31 December 2024

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

Results and dividends
The results of the Group for the year are set out on page 25 and are commented on within the Strategic Report.

During the year, the Company paid a dividend of £50 million (2023: £nil), to Virgin Investments Limited. Effective 31 December 2024, the entire issued share capital of the Company was acquired by Virgin International Holdings Limited.

During the year, the Group's subsidiary, WCT Group Holdings Limited (formerly Virgin Rail), paid a £0.3 million dividend (2023: £0.4 million) to its minority shareholders.

Directors
The Directors of the Company who held office during the year and up to the date of signature of the financial statements were as follows:

J Bayliss (resigned 1 January 2025)
L Brambilla (resigned 1 January 2025)
H K T Branson (resigned 1 January 2025)
A L Burchett
C J Hilton
N A Humphrey (resigned 1 January 2025)
J D Margison
P M R Norris (resigned 1 January 2025)
A P L Shah
I P Woods
R P Blok (alternate)
A E Waters (alternate) (appointed 1 May 2024)

Employees
The Group and its operating subsidiaries are non-discriminatory employers, operating employment policies that aim to eliminate unfair discrimination, harassment, victimisation and bullying. The Group is committed to ensuring that all individuals are treated fairly, with respect, and are valued irrespective of disability, race, gender, health, social class, sexual preference, marital status, nationality, religion, employment status, age or membership or non-membership of a trade union. Please refer to section b) of the s172 report on page 10 for further details.

The Group uses consultative procedures agreed with its staff and elected representatives with a view to ensuring that its employees are aware of the financial and economic factors that affect the Group's performance and prospects. Within the bounds of commercial confidentiality, information is disseminated to all levels of employees about matters that affect the progress of the Group and are of interest and concern to them as employees. The Group also encourages employees, where relevant, to meet on a regular basis to discuss matters affecting them.

Employees *(continued)*

In considering applications for employment from disabled people in the UK, the Group seeks to ensure that full and fair consideration is given to the abilities and aptitudes of the applicant against the requirements of the jobs for which they have applied. Employees who become temporarily or permanently disabled are given individual consideration, and where possible equal opportunities for training, career development and promotions are given to disabled persons.

Charitable Donations

During the year, the Group paid £6 million (2023: £8 million) of charitable donations to Virgin Unite.

Energy and Carbon Reporting

The Directors have included their reporting on GHG emissions as required by the SECR regulation on pages 7 - 8 of the Strategic Report.

Going concern

As set out in note 1 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.

Provision of information to auditor

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

- so far as the Director is aware, there is no relevant audit information of which the Company and Group's auditor is unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any information needed by the Company and Group's auditor in connection with preparing its report and to establish that the Company and Group's auditor are aware of that information.

Auditor

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

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

Signed by:
Ash Shah
C01E6E634E30454...

A Shah
Director

Whitfield Studios, 50A Charlotte Street
London, W1T 2NS

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 Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent Company financial statements for each financial year. Under that law they have elected to prepare the Group financial statements in accordance with UK-adopted international accounting standards and applicable law and have elected to prepare the parent Company 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 Group and parent Company and of the Group's profit or loss for that period. In preparing each of the Group and parent Company financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable, relevant, reliable and prudent;
- For the Group financial statements, state whether they have been prepared in accordance with UK-adopted international accounting standards;
- For the parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Assess the Group and 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 Group or 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 parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its 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 Group and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the Members of Virgin Holdings Limited and Subsidiary Companies

Opinion

We have audited the financial statements of Virgin Holdings Limited ("the Company") for the year ended 31 December 2024 which comprise the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement 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 Group's and of the parent Company's affairs as at 31 December 2024 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the UK-adopted international accounting standards;
- the parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of 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 Group 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 Group or the Company or to cease their operations, and as they have concluded that the Group and 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 their 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 Group's business model and analysed how those risks might affect the Group and 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 Group or 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 Group or the Company will continue in operation.

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 inspection of policy documentation as to the Group’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 This included communication from the Group audit team to full scope component audit teams of relevant fraud risks identified at the Group level and request to full scope component audit teams to report to the Group audit team any instances of fraud that could give rise to a material misstatement at the Group level.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that Group and component management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements. On this audit we do not believe there is a fraud risk related to revenue recognition because the accounting for 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 and those posted to unusual accounts.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Identifying and responding to risks of material misstatement due to non-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 others management (as required by auditing standards), and discussed with the Directors.

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.

Independent Auditor's Report to the Members of Virgin Holdings Limited and Subsidiary Companies *(continued)*

Firstly, the Group 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.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group's license to operate. We identified the following area as the most likely to have such an effect:

- Data privacy laws, reflecting the Group's growing amounts of personal data held.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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.

Independent Auditor's Report to the Members of Virgin Holdings Limited and Subsidiary Companies *(continued)*

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 by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company 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 20, 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 Group and parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

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.

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:
JThomas
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James Thomas (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
24 June 2025

Consolidated Income Statement
For the year ended 31 December 2024

	Note	**2024**	2023
		£m	£m
Revenue	3	**278**	251
Cost of sales	5	**(47)**	(41)
Gross profit		**231**	210
Administrative expenses	5	**(183)**	(170)
Other operating income	4	**119**	18
Operating profit		**167**	58
Loss on disposal of investments and assets	8	**(1)**	-
Loss from equity accounted associates	13	**(1)**	(5)
Finance and similar income		**15**	12
Finance and similar expenses		**(13)**	(9)
Net finance income	7	**2**	3
Profit before tax		**167**	56
Taxation	10	**(15)**	(2)
Profit for the year		**152**	54
Equity holders of the parent		**149**	52
Non-controlling interest		**3**	2
Profit for the year		**152**	54

The notes on pages 33 to 88 form part of these financial statements.

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2024

	2024	2023
	£m	£m
Profit for the year	**152**	54
Other comprehensive loss		
Items that are or may be reclassified to profit or loss:		
Other movements	**-**	(1)
Foreign currency translation loss on consolidation	**(1)**	(2)
Fair value adjustments	**(26)**	(7)
	(27)	(10)
Other comprehensive loss for the year, net of income tax	**(27)**	(10)
Total comprehensive income for year		
From continuing operations	**125**	44
From discontinued operations	**-**	-
	125	44
Attributable to:		
Equity holders of the parent	**122**	42
Non-controlling interest	**3**	2
Total comprehensive income for year	**125**	44

Consolidated Balance Sheet
At 31 December 2024

	Note	2024 £m	2023 £m
Assets			
Non-current assets			
Property, plant and equipment	11	**169**	121
Intangible assets	12	**66**	66
Investments in equity-accounted investees	13	**6**	7
Other investments	15	**7**	34
Trade and other receivables	17	**2**	8
Deferred tax asset	16	**47**	17
		297	253
Current assets			
Trade and other receivables	17	**254**	180
Cash and cash equivalents	18	**161**	104
		415	284
Total assets		**712**	537
Liabilities			
Current liabilities			
Loans and borrowings	19	**(10)**	(2)
Trade and other payables	20	**(100)**	(106)
Contract liabilities	21	**(246)**	(156)
Provisions	22	**(9)**	(6)
Deferred tax liability	16	**(2)**	(2)
		(367)	(272)
Non-current liabilities			
Loans and borrowings	19	**(14)**	(122)
Trade and other payables	20	**(49)**	(1)
Contract liabilities	21	**(85)**	(17)
Provisions	22	**-**	(2)
		(148)	(142)
Total liabilities		**(515)**	(414)
Net assets		**197**	123
Equity attributable to equity holders of the parent			
Share capital	23	**208**	208
Other reserves	23	**(25)**	2
Retained earnings	23	**65**	(34)
		248	176
Non-controlling interest	23	**(51)**	(53)
Total equity		**197**	123

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

Signed by:
Ash Shah
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A Shah
Director

The notes on pages 33 to 88 form part of these financial statements.

Company Balance Sheet
At 31 December 2024

	Note	**2024 £m**	2023 £m
Assets			
Non-current assets			
Trade and other receivables	17	**-**	8
Investments	14, 15	**1,222**	1,236
		1,222	1,244
Current assets			
Trade and other receivables	17	**281**	156
Cash at bank and in hand	18	**61**	42
		342	198
Liabilities			
Current liabilities			
Trade and other payables	20	**(294)**	(110)
Loans and borrowings	19	**-**	(2)
		(294)	(112)
Net current assets		**48**	86
Non-current liabilities			
Loans and borrowings	19	**-**	(97)
		-	(97)
Net assets		**1,270**	1,233
Capital and reserves			
Share capital	23	**208**	208
Share premium	23	**-**	-
Retained earnings	23	**1,062**	1,025
Shareholders' funds		**1,270**	1,233

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

Signed by:
Ash Shah
C01E6E634E30454...

A Shah
Director

The notes on pages 33 to 88 form part of these financial statements.

Consolidated Statement of Changes in Equity

	Share capital £m	Share premium £m	Other reserves £m	Retained earnings £m	Total amounts attributable to owners £m	Non-controlling interest £m	Total £m
Balance at 1 January 2024	208	-	2	(34)	**176**	(53)	**123**
Total comprehensive income for the year:							
Profit for the year	-	-	-	149	**149**	3	**152**
Other comprehensive loss	-	-	(27)	-	**(27)**	-	**(27)**
Total comprehensive income/(loss) for the year	-	-	(27)	149	**122**	3	**125**
Transactions with owners, recorded directly in equity:							
Dividends paid	-	-	-	(50)	**(50)**	(1)	**(51)**
Total transactions with owners	-	-	-	(50)	**(50)**	(1)	**(51)**
Balance at 31 December 2024	**208**	**-**	**(25)**	**65**	**248**	**(51)**	**197**

	Share capital £m	Share premium £m	Other reserves £m	Retained earnings £m	Total amounts attributable to owners £m	Non-controlling interest £m	Total £m
Balance at 1 January 2023	200	75	12	(79)	208	(55)	153
Total comprehensive income for the year:							
Profit for the year	-	-	-	52	52	2	54
Other comprehensive loss	-	-	(10)	-	(10)	-	(10)
Total comprehensive income/(loss) for the year	-	-	(10)	52	42	2	44
Transactions with owners, recorded directly in equity:							
Issue of shares	925	-	-	(925)	-	-	-
Capital reduction	(843)	(75)	-	918	-	-	-
Share buy-back	(74)	-	-	-	(74)	-	(74)
Total transactions with owners	8	(75)	-	(7)	(74)	-	(74)
Balance at 31 December 2023	208	-	2	(34)	176	(53)	123

The other reserves balance disclosed on the Consolidated Balance Sheet includes the fair value reserve, revaluation reserve and other reserves.

The notes on pages 33 to 88 form part of these financial statements.

Company Statement of Changes in Equity

	Share capital £m	Share premium £m	Other reserves £m	Retained earnings £m	Total £m
Balance at 1 January 2024	208	-	-	1,025	**1,233**
Total comprehensive income for the year:					
Profit for the year	-	-	-	87	**87**
Total comprehensive income for the year	-	-	-	87	**87**
Transactions with owners, recorded directly in equity:					
Dividend	-	-	-	(50)	**(50)**
Total transactions with owners	-	-	-	(50)	**(50)**
Balance at 31 December 2024	**208**	**-**	**-**	**1,062**	**1,270**

	Share capital £m	Share premium £m	Other reserves £m	Retained earnings £m	Total £m
Balance at 1 January 2023	200	75	-	1,051	**1,326**
Total comprehensive loss for the year:					
Loss for the year	-	-	-	(19)	**(19)**
Total comprehensive loss for the year	-	-	-	(19)	**(19)**
Transactions with owners, recorded directly in equity:					
Issue of shares	925	-	-	(925)	**-**
Capital reduction	(843)	(75)	-	918	**-**
Share buy-back	(74)	-	-	-	**(74)**
Total transactions with owners	8	(75)	-	(7)	**(74)**
Balance at 31 December 2023	**208**	**-**	**-**	**1,025**	**1,233**

The notes on pages 33 to 88 form part of these financial statements.

Consolidated Cash Flow Statement
For the year ended 31 December 2024

	Note	2024 £m	2023 £m
Cash flows from operating activities			
Profit for the year		**152**	54
Adjustments for:			
Depreciation, amortisation and impairment	11, 12	**14**	12
Foreign exchange (gain)/loss		**(1)**	2
Finance income	7	**(15)**	(12)
Finance expense	7	**13**	9
Loss from equity accounted associates	13	**1**	5
Taxation	10	**15**	2
		179	72
Increase in trade and other receivables		**(69)**	(58)
Increase/(decrease) in trade and other payables		**159**	(19)
Increase in provisions and employee benefits	22	**1**	2
		91	(75)
Net interest (paid)/received		**(1)**	3
Tax paid		**(50)**	(6)
Cashflows from discontinued operations	9	**-**	(1)
Net cash generated by/(used in) operations		**219**	(7)
Cash flows from investing activities			
Acquisition of property, plant and equipment		**(25)**	(19)
Disposal of property, plant and equipment		**8**	-
Acquisition of intangible fixed assets	12	**(9)**	(11)
Net cash used in investing activities		**(26)**	(30)
Cash flow from financing activities			
Repayments to related parties		**(26)**	(89)
Funding from related parties		**35**	30
Principal portion of lease liabilities		**(1)**	(1)
(Repayment)/drawdown of borrowings	19	**(96)**	109
Cashflows from discontinued operations	9	**-**	(1)
Dividends paid		**(51)**	-
Net cash (used in)/generated by financing activities		**(139)**	48
Net increase in cash and cash equivalents		**54**	11
Cash and cash equivalents at 1 January		**104**	94
Effect of exchange rate fluctuations on cash held		**3**	(1)
Cash and cash equivalents at 31 December	18	**161**	104

The notes on pages 33 to 88 form part of these financial statements.

Consolidated Cash Flow Statement
For the year ended 31 December 2024

Net cash/(debt) reconciliation

	2024	2023
	£m	£m
Net cash/(debt)		
Cash and cash equivalents	**161**	104
Borrowings	**(24)**	(122)
	137	(18)

Analysis of changes in net cash/(debt)	Borrowings	Cash and cash equivalents	**Total**
	£m	£m	**£m**
Net debt as at 1 January 2024	(122)	104	**(18)**
Operating cash flows	-	219	**219**
Acquisition of property, plant and equipment	-	(25)	**(25)**
Disposal of property, plant and equipment	-	8	**8**
Acquisition of intangible fixed assets	-	(9)	**(9)**
Repayment of borrowings	96	(96)	**-**
Repayments to related parties	-	(26)	**(26)**
Funding from related parties	-	35	**35**
Principal portion of lease liabilities	-	(1)	**(1)**
Dividends paid	-	(51)	**(51)**
Foreign exchange adjustments	2	3	**5**
Net cash as at 31 December 2024	(24)	161	**137**

	Borrowings	Cash and cash equivalents	**Total**
	£m	£m	**£m**
Net cash as at 1 January 2023	(15)	94	**79**
Operating cash flows	-	(7)	**(7)**
Acquisition of property, plant and equipment	-	(19)	**(19)**
Acquisition of intangible fixed assets	-	(11)	**(11)**
Drawdown on borrowings	(109)	109	**-**
Repayments to related parties	-	(89)	**(89)**
Funding from related parties	-	30	**30**
Principal portion of lease liabilities	-	(1)	**(1)**
Cashflows from discontinued operations		(1)	**(1)**
Foreign exchange adjustments	2	(1)	**1**
Net debt as at 31 December 2023	(122)	104	**(18)**

The notes on pages 33 to 88 form part of these financial statements.

Notes to the financial statements for the year ended 31 December 2024

1 Accounting policies

The Company is a private company limited by shares, incorporated in England and Wales. The registered number is 03609453 and the registered office address is Whitfield Studios, 50A Charlotte Street, London, W1T 2NS, United Kingdom.

The Group financial statements consolidate those of the Company and its subsidiaries and equity account the Group's interests in associates and joint ventures. The Company financial statements present information about the Company as a separate entity and not about its Group.

These Group financial statements were prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006. The Company financial statements were 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 in conformity with the requirements of the Companies Act 2006 ("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 has been taken. On publishing the Company financial statements here together with the Group financial statements, the Company is taking advantage of the exemption in s408 of the Companies Act 2006 not to present its individual income statement and related notes that form a part of these approved financial statements.

The Company has taken advantage of the following disclosure exemptions and has not provided:

- Additional comparative information as per IAS 1 Presentation of Financial Statements paragraph 38 in respect of a reconciliation of the number of shares outstanding at the start and end of the prior period, and reconciliations of the carrying amounts of property, plant and equipment at the start and the end of the prior period;
- A Statement of Cash Flows and related disclosures;
- A statement of compliance with IFRS (a statement of compliance with FRS 101 is provided instead);
- Disclosure of the future impact of new International Financial Reporting Standards in issue but not yet effective at the reporting date;
- Additional comparative information for narrative disclosures and information, beyond IFRS requirements;
- Disclosures in relation to the objectives, policies and process for managing capital;
- Lessee maturity analysis of lease liabilities;
- Related party transactions with two or more wholly owned members of the Group;
- Certain disclosures required under IFRS 15 Revenue from Contracts with Customers, including disaggregation of revenue, details of changes in contract assets and liabilities, and details of incomplete performance obligations; and
- Disclosure of the nature and extent of risks arising on financial instruments.

Notes to the financial statements for the year ended 31 December 2024 (continued)

1 Accounting policies *(continued)*

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these consolidated financial statements. Judgements made by the Directors in the application of these accounting policies that have significant effect on the financial statements are discussed in note 2.

Going Concern

The Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

In making this assessment, the Directors have considered the cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements, specifically including:

- Royalties: The impact of licensee performance, royalty deferrals and recoverability of royalties receivable from licensees: and

- Liquidity: Existing cash balances, access to credit facilities, compliance with borrowing requirements and access to other sources of liquidity.

Sensitivities were applied to the cash flow forecasts to model the potential impacts of changes in macroeconomic factors on the Group's royalty income, expenses and funding support.

The Board of Directors, after reviewing financial forecasts, sensitivities and financing arrangements, consider that the Group and the Company have adequate resources to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements. Accordingly, the Directors are satisfied that it is appropriate to adopt the going concern basis in preparing these financial statements.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis except for other investments and financial instruments which are classified as fair value through the profit or loss or as fair value through other comprehensive income.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated during the consolidation process. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

1 Accounting policies *(continued)*

1.2 Basis of consolidation

Change in subsidiary ownership and loss of control
Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Where the Group loses control of a subsidiary, the assets and liabilities are derecognised along with any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Joint ventures
A joint venture is an arrangement over which the Group and one or more third parties have joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Associates
Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity.

Application of the equity method to associates and joint ventures
Associates and joint ventures are accounted for using the equity method (equity accounted investees) and are initially recognised at cost. The Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the Group's share of the total comprehensive income and equity movements of equity accounted investees, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an investee.

Separate Company financial statements
In the Company financial statements, all investments in subsidiaries, joint ventures and associates are carried at cost less impairment.

Notes to the financial statements for the year ended 31 December 2024 (continued)

1 Accounting policies *(continued)*

1.3 Foreign currency

The consolidated accounts of the Group are presented in pound sterling, which is the functional currency and presentational currency of the Group. Certain subsidiaries have operations that are primarily influenced by a currency other than pound sterling.

Foreign currency transactions
Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

Foreign operations
The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group’s presentational currency at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Exchange differences arising from this translation of foreign operations are reported as an item of other comprehensive income and accumulated in the translation reserve or non-controlling interest, as the case may be. When a foreign operation is disposed of, such that control, joint control or significant influence (as the case may be) is lost, the entire accumulated amount in the foreign currency translation reserve, net of amounts previously attributed to non-controlling interests, is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while still retaining control, the relevant proportion of the accumulated amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while still retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

1.4 Financial instruments

Financial assets and financial liabilities are recognised when the Group 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 Group determines the classification at initial recognition and re-evaluates this designation when required except for those financial instruments measured at fair value through profit or loss ("FVTPL"). This only applies to a change in the business model of the entity and financial assets.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

1 Accounting policies *(continued)*

1.4 Financial instruments *(continued)*

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Trade and other receivables
Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method, less any impairment losses or loss allowances.

Expected credit losses ("ECL")
The Group recognises loss allowances for ECL on financial assets measured at amortised cost and contract assets (as defined in IFRS 9).

The Group measures loss allowances at an amount equal to lifetime ECL, except for other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured as 12-month ECL.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between cash flows due to the entity in accordance with the contract and cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Contract assets
Contract assets are recognised when the Group has transferred goods or services to the customer however is yet to establish an unconditional right to the consideration. Contract assets are treated as financial assets for impairment purposes.

Trade and other payables
Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Contract liabilities
Contract liabilities represent the Group's obligation to transfer goods or services to the consumer and are recognised when the consideration is paid, or when the Group has an unconditional right to the consideration (whichever is earlier), before the Group has transferred the services to the customer and satisfied the relevant performance obligations.

Notes to the financial statements for the year ended 31 December 2024 (continued)

1 Accounting policies *(continued)*

1.4 Financial instruments *(continued)*

Investments in debt and equity securities
Financial instruments are initially recognised at their fair value, with any resultant gain or loss recognised in profit or loss ("FVTPL").

Other investments in debt and equity securities held by the Group are classified as being fair value through other comprehensive income ("FVTOCI") and are stated at fair value, with any resultant gain or loss being recognised in other comprehensive income and presented within equity in the fair value reserve. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group’s cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Share capital
Ordinary shares are classified as equity, in accordance with the substance of the contractual arrangement.

1.5 Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The Group has a policy of not revaluing property, plant and equipment. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land and assets in the course of construction are not depreciated. The estimated useful lives are as follows:

Land and buildings	Land not depreciated, buildings up to 50 years
Plant and equipment	3 - 10 years
Fixtures and fittings	4 - 8 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

Assets in the course of construction are carried at cost, less any identified impairment loss. Cost includes professional fees and other directly attributable costs that are necessary to bring the asset to its operating condition. Depreciation commences when the assets are ready for their intended use.

Notes to the financial statements for the year ended 31 December 2024 (continued)

1 Accounting policies *(continued)*

1.5 Property, plant and equipment *(continued)*

Leased assets
The Group recognises right-of-use assets measured equal to the corresponding lease liabilities. On initial recognition, the lease liabilities are measured at the present value of the remaining lease payments, discounted at the appropriate incremental borrowing rate.

On initial recognition, the Group tests its right-of-use assets for impairment.

Right-of-use assets are depreciated on a straight line basis over the term of the lease.

1.6 Intangible assets

Goodwill
Goodwill is measured at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment.

The impairment review is carried out at the level of a 'cash-generating unit' ("CGU"), defined as the smallest identifiable group of assets, liabilities and associated intangible assets that generate cash inflows that are largely independent of the cash flows from other assets or groups of assets. Impairment testing is performed by comparing the higher of the carrying value of each CGU to the recoverable amount, determined on the basis of the CGU's value in use. The value in use is based on the net present value of future cash flow projections discounted at pre-tax rates appropriate for each CGU.

Research and development
Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources and intent to complete the development; and its costs can be measured reliably. The Group incurs development costs for the production of software. Upon completion of development, costs are transferred development costs and amortised on a straight-line basis over the period of their expected benefit, being their finite life of up to 8 years.

Other intangible assets
Expenditure on internally generated goodwill and brands is recognised in the income statement as an expense as incurred.

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and less accumulated impairment losses. Useful economic lives and residual values are reviewed annually. Assets that are deemed to have an indefinite useful life are not amortised but are subject to an impairment test on at least an annual basis. The estimated useful lives are:

Computer software	Up to 8 years
Intellectual property	Up to 27 years
Development costs	Up to 8 years

1 Accounting policies *(continued)*

1.7 Cash and cash equivalents

Cash, for the purposes of the cash flow statement, comprises cash held in bank accounts and money market deposits repayable on demand with no access restrictions, less overdrafts repayable on demand.

Cash equivalents are current asset investments which are readily convertible into known amounts of cash at, or close to, their carrying values or traded in an active market, without curtailing or disrupting the business.

1.8 Employee benefits

Defined contribution plans
A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

Short-term employee benefits
Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Termination benefits
Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to either terminating the employment of current employees according to a detailed formal plan or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

1.9 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

Onerous contracts
A provision for onerous contracts is recognised when the unavoidable costs of meeting the obligations under the contract exceed the expected economic benefits to be derived from the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing the contract.

1 Accounting policies *(continued)*

1.9 Provisions and contingent liabilities *(continued)*

Contingent liabilities
Contingent liabilities are present obligations with uncertainties about either the probability of outflows of resources or the amount of the outflows, and possible obligations whose existence is uncertain. Contingent liabilities are not recognised except for contingent liabilities that represent present obligations in a business combination.

Contingent assets
Contingent assets are possible assets whose existence will be confirmed by uncertain future events that are not wholly within the control of the Group. Contingent assets are not recognised on the Group's balance sheet, but are disclosed when it is considered probable that an inflow of benefits will occur. However, when the inflow of benefits is virtually certain an asset is recognised on the balance sheet, because that asset is no longer considered to be contingent.

1.10 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, gross of commission, but net of discounts, VAT and other sales-related taxes.

Revenue is 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.

Brand Licensing
Royalties are receivable under TMLAs entered into with companies using the Virgin brand ("Licensees"), exclusive of VAT and trade discounts. Royalties receivable are recognised as earned typically based on a percentage of the revenues of the Licensee, subject to minimum guarantees. Certain licences are pre-paid, and these royalty revenues are recognised on a straight line basis over the term of the licence agreement.

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

Hotels
Revenue derived from the Group's hotel operations is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales tax. Revenue is derived from the provision of accommodation, sale of food and beverages and ad-hoc hospitality services. Revenue is recognised in accordance with the IFRS 15 five step model.

Notes to the financial statements for the year ended 31 December 2024 (continued)

1 Accounting policies *(continued)*

1.10 Revenue *(continued)*

Virgin Hotels Collection - Hotel Management Services

Revenue comprises royalty and license fees, management fees and cost recovery fees from the hotels managed, exclusive of VAT. Hotel management fees (including base fees) are recognised over time in accordance with IFRS 15, as the Group provides continuous operational and strategic services throughout the contractual period. Revenue is measured based on monthly performance metrics and invoiced accordingly.

Virgin Red - Loyalty Programme

Virgin Red earns revenue from:

- Currency: Products and services through its redemption partners, recognised on redemption; and
- Marketing and Brand Services: Allowing partners to use the Virgin brand in their marketing and participate in the programme, recognised on issuance.

Under IFRS 15, revenue recognition is dependent on principal or agent and recognised when all obligations have been satisfied. Specifically for principal, revenue is recognised when the service or supply is provided in the normal course of business, net of discounts, VAT and other sales-related taxes. Under the principal basis, revenue is recognised gross, however, under an agency basis only the net margin is recognised. See note 2 for more information.

Management services

Revenue is recognised for the management services provided by the Group. This comprises fees receivable under contracts to provide management services and is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Revenue is recognised over time as the management services are rendered.

1 Accounting policies *(continued)*

1.11 Finance income and expenses

Finance expenses comprise interest payable, finance charges on lease liabilities recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the income statement (see foreign currency accounting policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset.

Finance income comprises interest receivable on funds invested, dividend income, and net foreign exchange gains. Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

1.12 Leases

At inception, the Group assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Initial measurement of the lease liability
The lease liability is initially measured at the present value of the lease payments during the lease term, discounted using the interest rate implicit in the lease, or the incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined. The lease is the non-cancellable period of the lease plus extension periods that the Group is reasonably certain to exercise and termination periods that the Group is reasonably certain not to exercise.

Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments that depend on an index or a rate, and any amounts expected to be payable under a residual value guarantee. Variable lease payments are initially measured using the index or rate when the leased asset is available for use.

Subsequent measurement of the lease liability
The lease liability is subsequently increased for a constant periodic rate of interest on the remaining balance of the lease liability and reduced for lease payments. Interest on the lease liability is recognised in the statement of comprehensive income. Variable lease payments not included in the measurement of the lease liability as they are not dependent on an index or rate, are recognised in the statement of comprehensive income in the period in which the event or condition that triggers those payments occurs.

The lease liability is remeasured when there is a change in: future lease payments arising from a change in an index or rate; the Group's estimate of the amount expected to be payable under a residual value guarantee; or the Group's assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. A lease modification, that was not part of the original terms and conditions of the lease, is accounted for as a separate lease or an adjustment to the lease liability depending on the nature of the change.

1 Accounting policies *(continued)*

1.13 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for:

- the initial recognition of goodwill;
- the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and
- differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they intend to settle these on.

The Group has adopted the amendments to IAS 12. The IASB amends the scope of IAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top up taxes described in those rules. The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

The Group has applied the temporary exception issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

1 Accounting policies *(continued)*

1.14 Non-current assets held for sale and discontinued operations

A discontinued operation is a component of the Group's business that is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative income statement is restated as if the operation has been discontinued from the start of the comparative period.

1.15 Adoption of new and revised standards

The following UK-adopted IFRSs have been issued but have not been applied by the Group in these financial statements. Their adoption is not expected to have a material effect on the financial statements:

- The Effects of Changes in Foreign Exchange Rates (Amendments to IAS 21) (effective 1 January 2025)
- Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) (effective 1 January 2026)
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7) (effective 1 January 2026)
- Annual improvements to IFRS Accounting Standards - Volume 11 (effective 1 January 2026)
- IFRS 18 Presentation and Disclosure in Financial Statements (effective 1 January 2027)
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective 1 January 2027)

2 Significant judgements, estimates and accounting policies

The preparation of the consolidated financial statements in conformity with IFRSs 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 these estimates.

Estimates and underlying assumptions are reviewed and updated 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.

The following accounting policies are considered critical accounting policies as they require a significant amount of management judgement and the results are material to the consolidated financial statements.

Significant estimate

Intellectual property assets

The carrying amounts of the Group's intellectual property 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.

The recoverable amount of each asset 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.

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

2 Significant judgements, estimates and accounting policies *(continued)*

Significant estimate *(continued)*

Intellectual property assets *(continued)*

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.

Virgin Red - Ultimate Redemption Rate

The Ultimate Redemption Rate ("URR") represents the percentage of Points expected to be redeemed in the future. The inverse of this is known as 'breakage' and represents the percentage of Points not expected to be redeemed in the future.

The Group exercises judgement in determining the URR through the use of historic trends and detailed statistical modelling, which is undertaken by independent actuarial experts. The Group's estimate of the URR is re-assessed at each reporting date and revenue recognised is adjusted to reflect the revised pattern of rights expected to be exercised.

Significant judgements

Recognition period of the amended TMLA with Virgin Money

On 1 October 2024, Nationwide acquired Virgin Money Plc and as part of the transaction the existing TMLA between Virgin Enterprises 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 driver for the increase in brand licensing income (note 3), interest expense (note 7) and contract liabilities (note 21).

Notes to the financial statements for the year ended 31 December 2024 (continued)

3 Revenue

The table below sets out revenue for each of the Group's industry segments and geographic areas of operation.

By activity

	2024	2023
	£m	£m
Brand licensing	**107**	93
Hotels	**42**	38
Loyalty programme	**115**	103
Management services	**14**	17
	278	251

By geographical market	**Revenue by source**	Revenue by source	**Revenue by destination**	Revenue by destination
	2024	2023	**2024**	2023
	£m	£m	**£m**	£m
UK	**236**	208	**151**	145
The Americas	**16**	16	**68**	39
Asia	**-**	-	**1**	2
European Union	**12**	10	**18**	15
Africa	**9**	12	**13**	20
Rest of the world	**5**	5	**27**	30
	278	251	**278**	251

The geographical analysis of revenue by source is derived by allocating revenue to the area in which the sale is made, whilst the geographical analysis of revenue by destination is derived by allocating revenue to the geographical area in which the relevant overseas customer lies.

4 Other operating income

	2024	2023
	£m	£m
Other operating income	**119**	18
	119	18

Other operating income includes £94 million received from Brightline during the year in respect of damages awarded to the Group for the breach of the Virgin Trains USA TMLA. Other operating income also includes £12 million received from 250 Fourth Development L.P. in respect of damages awarded to the Group for premature termination of the hotel management agreement for Virgin Hotels San Francisco.

Notes to the financial statements for the year ended 31 December 2024 (continued)

5 Expenses and auditor's remuneration

Analysis of expenses by nature includes the following:

	2024	2023
	£m	£m
Cost of sales	**47**	41
Staff costs	**89**	81
Marketing costs	**11**	11
Depreciation of property, plant and equipment	**5**	3
Amortisation of intangible assets	**9**	9
Legal and professional fees	**11**	10
Charitable donations	**6**	8
Foreign exchange gains	**(1)**	(2)
Other administration costs	**53**	50
Total cost of sales and administrative expenses	**230**	211

Auditor's remuneration:

	2024	2023
	£m	£m
Fees payable to the Company's auditor for the audit of the Company's financial statements	**0.2**	0.1
Fees payable to the Company's auditor and its associates in respect of:		
The auditing of accounts of subsidiaries of the Company pursuant to legislation	**0.5**	0.8

6 Staff numbers and costs

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

	2024	2023
	No.	No.
Administration and management	**1,623**	870
	1,623	870

The 2024 staff numbers include 697 staff employed by the Group whose costs are recharged to third parties in full.

The Company had no employees in the year (2023: £nil).

6 Staff numbers and costs *(continued)*

The aggregate payroll costs of these persons were as follows:

	2024	2023
	£m	£m
Wages and salaries	**69**	60
Social security costs	**8**	7
Other pension costs	**3**	3
Other costs	**9**	11
	89	81

The other staff costs are in relation to staff benefits, healthcare and long term incentive plans.

Aggregate Directors' remuneration

During the year of their service, the emoluments of the Directors of the Group and Company were as follows:

	2024	2023
	£m	£m
Total emoluments		
Aggregate emoluments	**9**	11
Highest paid Director		
Aggregate emoluments and other benefits	**3**	4

Aggregate emoluments include employer contributions paid to 11 (2023: 12) Directors under defined contribution or SIPP schemes.

The Directors are considered to be the key management personnel of the Group. Remuneration for all Directors is paid by other companies in the Group.

7 Finance income and expenses

	2024	2023
	£m	£m
Finance and similar income		
Finance income receivable from related undertakings	**1**	1
Bank interest income	**6**	4
Other finance income	**8**	6
Investment income	**-**	1
	15	12
Finance and similar expense		
Borrowings and overdrafts	**8**	8
Net foreign exchange loss	**-**	1
Other finance expense	**5**	-
	13	9

Notes to the financial statements for the year ended 31 December 2024 (continued)

8 Loss on disposal of investments and assets

	2024	2023
	£m	£m
Loss on disposal of fixed assets	**1**	-
	1	-

Notes to the financial statements for the year ended 31 December 2024 (continued)

9 Discontinued Operations

The discontinued operations include the results of Virgin Rail.

Virgin Rail

The West Coast franchise operated by Virgin Rail ceased operations on 8 December 2019. The business recognised a small portion of revenue in 2023 and 2024 which was realised as part of the wind up of its operations. Due to the presentation of the Group financial statements in £m, no results are shown in the 2024 Group Consolidated Income Statement.

In accordance with IFRS 5, the consolidated Income Statement and Statement of Other Comprehensive Income show the discontinued operation separately from continuing operations.

	2024	2023
	£m	£m
Revenue	**-**	-
Cost of sales	-	-
Gross profit	**-**	-
Administrative expenses	-	-
Operating profit	**-**	-
Finance and similar expenses	**-**	-
Profit before tax	**-**	-
Taxation	-	-
Profit from discontinued operations	**-**	-

Net cash generated from operating activities	**-**	(1)
Net cash used in financing activities	**-**	(1)
Net cash outflow for the year	**-**	(2)

Notes to the financial statements for the year ended 31 December 2024 (continued)

10 Taxation

Income tax expense

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

	2024 £m	2023 £m
Current tax		
Current UK corporation tax on income for the period	**44**	11
Adjustments in respect of prior periods	**-**	1
Total UK corporation tax	**44**	12
Foreign tax		
Current tax on income for the period	**1**	2
Total foreign tax	**1**	2
Total current tax expense	**45**	14
Deferred tax		
Relating to changes in tax rates	**-**	(1)
Origination and reversal of timing differences	**(30)**	(8)
Adjustments in respect of prior periods	**-**	(3)
Total deferred tax income	**(30)**	(12)
Income tax expense reported in the Statement of Comprehensive Income	**15**	2

Reconciliation of effective tax rate

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 £m	2023 £m
Profit before taxation on continued operations	**167**	56
Profit before taxation on continued operations multiplied by standard rate of corporation tax in the UK of 25.00% (2023 - 23.50%)	**42**	13
Non-deductible expenses	**1**	4
Non-taxable income	**-**	(1)
Effect of previously unrecognised tax losses	**(32)**	(17)
Write-down of previously recognised deferred tax assets	**1**	-
Temporary differences not recognised for deferred tax	**3**	5
Adjustments in respect of current income tax in respect of prior years	**-**	1
Adjustments in respect of deferred tax in respect of prior years	**-**	(3)
Other	**-**	-
Income tax expense for the period	**15**	2

Notes to the financial statements for the year ended 31 December 2024 (continued)

10 Taxation *(continued)*

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.

On 18 July 2023, the UK government, published draft legislation that introduced the Multinational Top up Tax and Domestic Top up Tax as part of the UK's adoption of the OECD's Pillar Two Global Anti-Base Erosion (GloBE) rules. This legislation is effective from 1 January 2024. Under the legislation, the Virgin Holdings Limited will be required to pay top-up tax on profits of its subsidiaries that are taxed at an effective tax rate of less than 15 per cent.

The top up tax for the group is not expected to be material. This information is based on the profits and tax expense for 2024, considering only certain adjustments that are required applying the legislation. The group is continuing to assess the impact of the Pillar Two income taxes legislation on its future financial performance.

11 Property, plant and equipment

Group

	Right of use assets £m	Land and buildings £m	Plant and machinery, fixtures and fittings £m	Assets under construction £m	Total £m
Cost					
At 1 January 2024	**8**	**72**	**5**	**46**	**131**
Additions	**38**	**1**	**7**	**17**	**63**
Disposals	**(4)**	**(2)**	**(3)**	**(9)**	**(18)**
Reclassification	**-**	**52**	**2**	**(54)**	**-**
At 31 December 2024	**42**	**123**	**11**	**-**	**176**
Depreciation and impairment					
At 1 January 2024	**5**	**3**	**2**	**-**	**10**
Depreciation for the year	**2**	**2**	**1**	**-**	**5**
Disposals	**(4)**	**(1)**	**(3)**	**-**	**(8)**
At 31 December 2024	**3**	**4**	**-**	**-**	**7**
Carrying amount					
At 31 December 2024	**39**	**119**	**11**	**-**	**169**

	Right of use assets £m	Land and buildings £m	Plant and machinery, fixtures and fittings £m	Assets under construction £m	Total £m
Cost					
At 1 January 2023	5	50	6	55	116
Additions	3	-	2	17	22
Disposals	(2)	(2)	(1)	(1)	(6)
Reclassification	2	25	(2)	(25)	-
Foreign Exchange	-	(1)	-	-	(1)
At 31 December 2023	8	72	5	46	131
Depreciation and impairment					
At 1 January 2023	5	3	4	-	12
Depreciation for the year	1	1	1	-	3
Disposals	(2)	(2)	(1)	-	(5)
Reclassification	2	-	(2)	-	-
Foreign Exchange	(1)	1	-	-	-
At 31 December 2023	5	3	2	-	10
Carrying amount					
At 31 December 2023	3	69	3	46	121

11 Property, plant and equipment *(continued)*

The Group leases various office premises and buildings which are for fixed periods of up to twenty years but may have options to extend for a further period. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

Right of use assets

During 2024, the Group entered a 20-year lease for the use of a hotel property. This resulted in the recognition of £38 million right of use asset (including £1 million of capitalised incidental costs), and a corresponding lease liability of £37 million. The right of use asset is depreciated over the term of the lease in accordance with the accounting policy set out in note 1.

Assets under construction

In 2024, the Group invested £11 million in the development of a new office building. On 31 October 2024, the construction of the office building completed and the asset became available for use. Total construction and development costs of £43 million were subsequently transferred from Assets Under Construction to the appropriate asset categories.

The Group also invested £6 million to restore a hotel property following an earthquake in 2023. On completion, total construction costs of £11 million were transferred from Assets Under Construction to the appropriate asset categories.

When assets are transferred from Assets Under Construction to the appropriate asset categories, they are then depreciated in accordance with the accounting policy set out in note 1.

In July 2024, the Group disposed of its interest in an unfinished hotel property located in Mallorca, resulting in a disposal of £9 million from Assets Under Construction. The Group recorded a loss on disposal of £1 million.

Capital commitments

At 31 December 2024, the Group had entered into contracts for committed spend of £1 million in relation to property development (2023: £5 million).

Company property, plant and equipment

At 31 December 2024, the Company held land and buildings with a net book value of £nil (2023: £0.2 million). The cost and accumulated depreciation was £0.7 million (2023: £0.7 million) and £0.7 million (2023: £0.5 million) respectively.

Notes to the financial statements for the year ended 31 December 2024 (continued)

12 Intangible assets

	Goodwill £m	Computer Software £m	Intellectual property £m	Development costs £m	Total £m
Cost					
At 1 January 2024	**1**	**40**	**80**	**-**	**121**
Additions	**-**	**9**	**-**	**-**	**9**
At 31 December 2024	**1**	**49**	**80**	**-**	**130**
Amortisation					
At 1 January 2024	**-**	**12**	**43**	**-**	**55**
Amortisation	**-**	**6**	**3**	**-**	**9**
At 31 December 2024	**-**	**18**	**46**	**-**	**64**
Carrying amount					
At 31 December 2024	**1**	**31**	**34**	**-**	**66**

	Goodwill £m	Computer Software £m	Intellectual property £m	Development costs £m	Total £m
Cost					
At 1 January 2023	1	29	79	-	109
Additions	-	10	-	1	11
Reclassification	-	1	1	(1)	1
At 31 December 2023	1	40	80	-	121
Amortisation					
At 1 January 2023	-	6	39	-	45
Amortisation	-	6	3	-	9
Reclassification	-	-	1	-	1
At 31 December 2023	-	12	43	-	55
Carrying amount					
At 31 December 2023	1	28	37	-	66

Intellectual property

The intellectual property intangible asset principally comprises a licence agreement which Virgin Enterprises Limited has with Virgin Active IPCO Limited. The licence required an upfront payment in 2011 of £60 million, which is being amortised over 27 years, representing the period of the head licence.

Development costs

Development costs relate to software in development by Virgin Red as part of the continued development of the loyalty programme. Upon completion of the development asset, it was re-classified to software and amortised over its expected useful life.

Notes to the financial statements for the year ended 31 December 2024 (continued)

12 Intangible assets *(continued)*

Impairment assessment of intellectual property assets

The recoverable amount of each intangible asset is calculated by reference to its value in use. Forecast cash flows, discounted at a pre-tax weighted average cost of capital ("WACC") rate, are extrapolated into either perpetuity or the expiry of the licence agreement. All intangible assets held by Virgin Enterprises Limited have been tested for impairment and no impairments were identified during the year (2023: no impairments). At 31 December 2024, the intangible asset balance comprises various intangible assets linked to specific TMLAs which the Virgin Enterprises Limited is party to. Assumptions applied in impairment testing are specific to each asset. The key assumptions applied are summarised in the table below:

	Carrying Value (£m)	Pre-tax WACC	Growth rate	NPV (£m)	Remaining useful life
2024	34	8.28% - 25.50%	2.08%	170	1-16 years
2023	37	7.49% - 27.57%	2.30%	172	2-17 years

13 Equity accounted investees

	Other associates £m
Carrying amount	
At 1 January 2024	**7**
Share of loss for the year	**(1)**
At 31 December 2024	**6**
Carrying amount	
At 1 January 2023	16
Transfer to loan instrument	(3)
Share of loss for the year	(5)
Foreign exchange	(1)
At 31 December 2023	7

The carrying amount of the investments decreased by £1 million in 2024 (2023: £9 million) due to the share of losses attributable to the Group of £1 million. The Group's interest in other associates and joint ventures a contributed £1 million loss (2023: £5 million) to the Group's share of total comprehensive income for the year.

Notes to the financial statements for the year ended 31 December 2024 (continued)

14 Investments *(Company only)*

	Investments in subsidiary companies £m
Cost	
At 1 January 2024	**1,631**
Disposals	**(71)**
Return of Capital	**(125)**
At 31 December 2024	**1,435**
Impairment	
At 1 January 2024	**(395)**
Reversal of impairment losses	**112**
Disposals	**70**
At 31 December 2024	**(213)**
Net book value	
At 31 December 2024	**1,222**
At 31 December 2023	1,235

Disposals

During 2024, the Company's investment of £70 million in XVCOM Limited (formerly Virgin.com Limited) was written off following its dissolution. As the investment was fully impaired, there was no impact on the net book value.

The Company's subsidiary, Virgin UK Holdings Limited, was dissolved during 2024 and the investment was written off. As the investment was held at £nil, there was no impact on the net book value.

In October 2024, the Company transferred its investment in VM Advisory Limited to Virgin Investments Limited for consideration of £1 million. The consideration was left outstanding as intercompany debt.

Return of Capital

During 2024, the Company recognised a return of capital of £125 million (2023: £56 million). This arose from dividends received during the year from Virgin Management Limited of £125 million, which were treated as a return of capital on the cost of the investment.

Impairment Reversal

Impairment testing for the period ended 31 December 2024 identified that the recoverable amounts of Company's investment in Virgin Management Limited exceeded the impaired carrying amount of the investment. An impairment loss reversal of £109 million has been recognised in the Statement of Comprehensive Income.

Impairment testing for the period ended 31 December 2024 also identified that the recoverable amounts of Company's investment in Virgin Hotels Group Limited exceeded the impaired carrying amount of the investment. An impairment loss reversal of £3 million has been recognised in the Statement of Comprehensive Income.

Carrying Value

The carrying value of investments in subsidiary companies at the year end of £1,222 million is supported by the net assets of its subsidiaries which act as investment holding companies, and the value in use of operating subsidiaries. The value in use of operating subsidiaries is calculated based on discounted cash flow projections with discount rates applied ranging from 8% to 16%.

15 Other investments

	Group		Company	
	2024	2023	**2024**	2023
	£m	£m	**£m**	£m
At 1 January	**34**	44	**-**	4
Additions	**-**	-	**-**	-
Fair value movements	**(26)**	(7)	**-**	(4)
Disposals	**(1)**	-	**-**	-
Foreign exchange	**-**	(3)	**-**	-
At 31 December	**7**	34	**-**	-

The £26 million impairment relates to the revaluation of a hotel property owned by the Group to reflect its reduced fair value. Further disclosures relating to financial assets are set out in note 26.

16 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and (liabilities) are attributable to the following:	**2024**	2023
	£m	£m
Fixed assets	**(1)**	-
Other timing differences	**28**	(1)
Tax losses	**18**	16
	45	15
Deferred tax asset	**47**	17
Deferred tax liability	**(2)**	(2)
	45	15

The net deferred tax movement in the balance sheet is as follows:

	£m
Balance as at 1 January 2023	**3**
Charged to statement of comprehensive income	12
Balance at 31 December 2023	**15**
Charged to statement of comprehensive income	30
Balance as 31 December 2024	**45**

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/(liability) for UK companies as at 31 December 2024 has been calculated at the rate of 25% (2023: 25%). Deferred tax for non-UK companies as at 31 December 2024 has been calculated using the applicable statutory tax rate for the individual country.

16 Deferred tax assets and liabilities (continued)

Deferred tax assets have not been recognised in respect of deductible temporary differences and tax losses of £331 million (2023: £438 million) because it is not probable that future taxable profit will be available against which the Group can use the benefits there from. Of these amounts £63 million (2023: £61 million) relates to tax losses which will expire at various dates between 2025 and 2037.

At 31 December 2024 there was an unrecognised deferred tax liability on gross temporary differences of £3 million (2023: £3 million), related to investments in subsidiaries and joint ventures. However, this liability was not recognised because the Group controls the timing of the reversal of the related taxable temporary differences and management is satisfied that they will not reverse in the foreseeable future.

Notes to the financial statements for the year ended 31 December 2024 (continued)

17 Trade and other receivables

	Note	Group 2024 £m	Group 2023 £m	Company 2024 £m	Company 2023 £m
Non-current					
Other receivables		**2**	8	**-**	8
		2	8	**-**	8
Current					
Trade receivables		**71**	51	**-**	-
Allowance for expected credit losses	(a)	**(42)**	(30)	**-**	-
Net trade receivables		**29**	21	**-**	-
Amounts owed by related parties		**99**	50	**265**	121
Other receivables		**24**	41	**16**	35
Prepayments		**12**	5	**-**	-
Contract assets	(b)	**90**	63	**-**	-
		254	180	**281**	156

The carrying amount of trade and other receivables is approximately equal to their fair values.

(a) Allowance for expected credit losses

The Group provides against trade receivables based on the ECL model, calculated from the probability of default for the remaining life of the asset. The ECL allowance at 31 December 2024 comprises allowances in respect of trade receivables balances outstanding from licensees. No ECL allowance has been recognised on amounts owed by related parties and contract assets.

Movements on the expected credit loss allowance are shown below:	2024 £m	2023 £m
As at 1 January	**(30)**	(14)
Provisions recognised during the year	**(21)**	(25)
Amounts released during the year	**10**	5
Amounts written off during the year	**-**	3
Foreign exchange	**(1)**	1
As at 31 December	**(42)**	(30)

In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared characteristics. They have been grouped based on the number of days past due and the specific circumstances surrounding the outstanding balance. The default rates are based on the payment profile for revenue, and are adjusted to reflect current and forward-looking macroeconomic factors affecting the consumer's ability to settle amounts outstanding.

17 Trade and other receivables *(continued)*
(a) Allowance for expected credit losses *(continued)*

	2024	2023
Ageing of trade receivables	**£m**	£m
Not yet due	**6**	16
1-30 days	**10**	-
31-60 days	**1**	2
61-90 days	**1**	(1)
90+ days	**53**	34
Total trade receivables before impairment	**71**	51
Amounts impaired	**(42)**	(30)
Net trade receivables	**29**	21

The Group's credit risk exposure is disclosed in further detailed within note 26.

(b) Contract assets

The movement in contract assets in the year is as follows:

	Group		Company	
	2024	2023	**2024**	2023
	£m	£m	**£m**	£m
Opening contract assets	**63**	38	**-**	-
Additions	**351**	227	**-**	-
Transfer to trade receivables	**(324)**	(202)	**-**	-
Closing contract assets	**90**	63	**-**	-

18 Cash and cash equivalents

	Group		Company	
	2024	2023	**2024**	2023
	£m	£m	**£m**	£m
Cash at bank and in hand	**161**	104	**61**	42
	161	104	**61**	42

Cash and cash equivalents comprise cash and short-term bank deposits with maturity of three months or less. The carrying amount of these assets is equal to their fair value due to their short-term nature.

Notes to the financial statements for the year ended 31 December 2024 (continued)

19 Borrowings

	Group		Company	
	2024	2023	**2024**	2023
	£m	£m	**£m**	£m
Non-current				
Borrowings	**14**	122	**-**	97
	14	122	**-**	97
Current				
Borrowings	**10**	2	**-**	2
	10	2	**-**	2

Financing - VEL Holdings facility

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

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

Facilities A and B were guaranteed by Virgin Holdings Limited, Virgin Enterprises Limited, 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 also cancelled on 16 October 2024.

Financing - Virgin Management facility

On 25 May 2023, Virgin Management Limited signed a Term Loan Facility Agreement with Clydesdale Bank. The total borrowing amount of £19.5 million is provided across three facilities.

"Facility A" is a £9.5 million term debt facility with repayment due on 23 June 2025. "Facility B" is a term debt facility for an amount up to £10 million with an expiry date of 23 June 2025. "Facility C" can be used to re-finance Facilities A and B for an amount up to £19.5 million and has an expiry date of 23 June 2028.

Facility A was drawn down in full for £9.5 million on 23 June 2023. Facility B and Facility C remain undrawn at year end.

19 Borrowings (continued)

Secured Bank Loans

Verbier Facility

Verbier Lodge SA has a secured bank loan of £13 million (2023: £14 million) secured on the land and buildings of Verbier Lodge.

The total facility comprises of Tranche 1 and Tranche 2, which have been drawn down at CHF 6.45 million and CHF 8.25 million respectively, totalling CHF 14.7 million (2023: CHF 15.1 million).

The maturity profile of borrowings is disclosed in note 26.

Notes to the financial statements for the year ended 31 December 2024 (continued)

20 Trade and other payables

	Group		Company	
	2024	2023	**2024**	2023
	£m	£m	**£m**	£m
Non-current				
Lease liability	**37**	1	**-**	-
Amounts owed to related parties	**12**	-	**-**	-
	49	1	**-**	-
Current				
Trade payables	**5**	3	**-**	-
Amounts owed to related parties	**16**	44	**294**	104
Other taxation and social security	**28**	14	**-**	-
Other payables	**11**	18	**-**	6
Accrued expenses	**38**	25	**-**	-
Lease liability	**2**	2	**-**	-
	100	106	**294**	110

The carrying amounts of trade and other payables are approximately equal to their fair values, due to their short-term nature.

The lease liabilities disclosed above relate to property leases held throughout the Group.

21 Contract liabilities

	Group		Company	
	2024	2023	**2024**	2023
	£m	£m	**£m**	£m
Non-current				
Revenue received in advance	**85**	17	**-**	-
	85	17	**-**	-
Current				
Revenue received in advance	**246**	156	**-**	-
	246	156	**-**	-

The movement in contract liabilities in the year is as follows:

	Group		Company	
	2024	2023	**2024**	2023
	£m	£m	**£m**	£m
Opening contract liabilities	**173**	170	**-**	-
Revenue recognised	**(135)**	(70)	**-**	-
Revenue deferred	**293**	73	**-**	-
Closing contract liabilities	**331**	173	**-**	-

Revenue received in advance includes £191 million (2023: £153 million) relating to revenue allocated to performance obligations associated with loyalty programmes.

Revenue received in advance also includes £117 million (2023: £nil) relating to the amended TMLA agreement between Virgin Enterprises and Virgin Money UK. The amended TMLA runs until 30 September 2028, with an additional two year cessation period, for total consideration of £310 million over the period. This has been accounted for in line with IFRS 15 and is a key driver of the increase in the contract liabilities balance during the year.

22 Provisions

	2024	2023
	£m	£m
Non-current		
Onerous leases	**-**	2
	-	2
Current		
Onerous leases	**2**	1
Other	**7**	5
	9	6

	Onerous leases	**Other**	**Total**
	£m	**£m**	**£m**
At 1 January 2024	**3**	**5**	**8**
Amounts utilised during the year	**(1)**	**-**	**(1)**
Amounts provided during the year	**-**	**2**	**2**
At 31 December 2024	**2**	**7**	**9**
At 1 January 2023	4	3	7
Amounts utilised during the year	(1)	-	(1)
Amounts provided during the year	-	2	2
At 31 December 2023	3	5	8

Other provisions

The Group operates from a number of properties where the costs involved with fulfilling the terms and conditions of the lease are higher than the amount of economic benefit received or receivable. Such provisions represent the service charge and occupancy related expenses which will be incurred after these properties have been vacated until the end of the lease term.

Other provisions held relating to leased land and buildings represent the costs expected to restore the properties at the end of the lease under the contractual terms at the end of the lease.

Notes to the financial statements for the year ended 31 December 2024 (continued)

23 Capital and reserves

Share capital	**2024**	2023
	£m	£m
Allotted, called up and fully paid		
208,206,542 (2023: 208,206,542) ordinary shares of £1 each	**208**	208

Share premium	**2024**	2023
	£m	£m
At 1 January	**-**	75
Shares issued during the year	-	-
Capital reduction	-	(75)
At 31 December	**-**	-

Ordinary shares hold full voting rights and the holder of the shares holds full entitlement to dividends as declared from time to time. All ordinary shares rank equally with regard to the Company's residual assets.

Other reserves

Other reserves comprise:

Fair value reserve

The fair value reserve includes the cumulative net change in the fair value of available-for-sale financial assets until the investment is derecognised or impaired.

Merger reserve

The merger reserve comprises the adjustment between consideration paid and the capital of entities acquired that are under the common control of the ultimate parent entity. The main component is a merger reserve held by Virgin Red that represents the transfer of the trade and assets of the loyalty scheme from Virgin Atlantic Limited.

Revaluation reserve

The revaluation reserve is used to record increments and decrements on the revaluation of non-current assets. In the event of a sale of an asset, any balance in the reserve in relation to the asset is transferred to retained earnings.

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

Retained earnings

Retained earnings represents the total of all current and prior retained earnings net of distributions to owners.

During the year, the Company paid a dividend of £50 million (2023: £nil), to Virgin Investments Limited.

Transactions with non-controlling interests

This reserve is used to record differences which may arise as a result of transactions with non-controlling interests that do not result in a loss of control.

24 Contingent assets and liabilities

The Group has given guarantees to a number of third party beneficiaries in respect of certain obligations.

In 2023, the Group entered into an agreement to guarantee a minimum net operating income to a third party in relation to a hotel operated by the Group. The amounts payable under the agreement will be determined by the future commercial performance of the hotel. In line with IAS 37, no liability is recognised in the financial statements relating to this guarantee.

For the other guarantees the Group has provided, the likelihood that these obligations would fall due is considered to be remote and therefore these guarantees are not disclosed as contingent liabilities.

Virgin America

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 Virgin Enterprises Limited. Following this, Virgin Aviation TM Limited and Virgin Enterprises Limited 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 judgement that the Minimum Royalty was due under the TMLA, even though Alaska Airlines, Inc. ceased to use the Virgin brand. Alaska Airlines, Inc. were granted an appeal by the Court of Appeal in July 2023, which was heard in March 2024. In 2023, following the judgement Alaska Airlines, Inc. made a payment to Virgin Aviation TM Limited of £4.8 million ($6.1 million) constituting royalties owed to 20 January 2020. This was recognised as revenue in the 2023 financial statements.

On 11 June 2024, the Court of Appeal unanimously rejected Alaska Airlines, Inc.'s appeal. The remainder of the royalties owed under the TMLA up to 31 December 2024, remain outstanding and total £43.4 million ($53.4 million). In accordance with IAS 37 and IFRS 15 this amount has not been recognised as an asset or income in the 2024 financial statements.

In related litigation, Alaska Airlines Inc brought proceedings against Virgin Aviation TM Limited and Virgin Enterprises Limited in September 2022 asserting, inter alia, breach of the TMLA. In relation to this, Virgin Aviation TM Limited and Virgin Enterprises 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.

Notes to the financial statements for the year ended 31 December 2024 (continued)

24 Contingent assets and liabilities *(continued)*

Virgin Red

During 2024, Virgin Red has continued discussions with His Majesty's Revenue and Customs (HMRC) regarding its VAT treatment after HMRC shared its emerging view in 2023, which differs from the current VAT accounting approach adopted by Virgin Red.

Post year end, HMRC has issued Virgin Red with VAT assessments covering the periods November 2017 – February 2018 and January 2022 – December 2024 amounting to £12.4m. Further assessments for periods March 2018 – December 2021 are expected to be received in 2025, and Virgin Red is expecting these to amount to an estimated £11.7m.

In April 2025, Virgin Red submitted an appeal to the First-tier Tribunal (Tax Chamber). In order to submit the appeal, Virgin Red was required to first pay the amounts assessed by HMRC. Therefore, £12.4m was paid to HMRC, without admission of liability. This £12.4m will be partially or wholly recoverable contingent upon Virgin Red's successful outcome in the litigation.

Virgin Red has reaffirmed its position with external advisors and concludes it has a strong basis to support its proposed VAT treatment and accounting. Accordingly, Virgin Red has disclosed the potential exposure (excluding potential interest and penalties) as a contingent liability as it is considered more likely than not that the matter will be resolved in the Company's favour. Virgin Red does not consider it appropriate to record any additional provision beyond what has currently been recognised in the financial statements as at 31 December 2024.

Notes to the financial statements for the year ended 31 December 2024 (continued)

25 Related parties

At 31 December 2024, the Company's ultimate parent undertaking was 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: Related Party Disclosures, and any transactions with the Company are disclosed accordingly below.

During the year, the Group entered into the following transactions with related parties:

	2024	2023
	£m	£m
Companies related by virtue of common control or ownership		
Revenue	**11**	14
Purchases	**-**	8
Interest receivable	**1**	1
Receivables outstanding	**98**	44
Payables outstanding	**(4)**	(7)
Companies related by virtue of being associates of the Group		
Revenue	**5**	28
Purchases	**48**	-
Other operating income	**12**	-
Receivables outstanding	**-**	24
Payables outstanding	**(7)**	-
Companies related by virtue of being investors in the Group		
Revenue	**2**	3
Receivables outstanding	**1**	2
Payables outstanding	**(17)**	(13)
Payments to key management personnel	**9**	11
Donations to charities	**6**	8

All related party transactions were made on an arm's length basis.

Notes to the financial statements for the year ended 31 December 2024 (continued)

26 Financial instruments

(a) Fair values of financial instruments

31 December 2024	Carrying amount £m	Fair value £m	Level 1 £m	Level 2 £m	Level 3 £m
FVTOCI financial assets					
Other investments	7	7	-	-	7
FVTPL financial assets					
Trade and other receivables (excl. prepayments)	4	-	-	4	-
Financial assets at amortised cost					
Cash and cash equivalents	161	-	-	-	-
Trade and other receivables (excl. prepayments)	240	-	-	-	-
Total financial assets	412	7	-	4	7
FVTPL financial liabilities					
Trade and other payables (excl. accruals, taxation and social security)	-	-	-	-	-
Financial liabilities measured at amortised cost					
Borrowings	(24)	-	-	-	-
Trade and other payables (excl. accruals, taxation and social security)	(83)	-	-	-	-
Total financial liabilities	(107)	-	-	-	-

31 December 2023	Carrying amount £m	Fair value £m	Level 1 £m	Level 2 £m	Level 3 £m
FVTOCI financial assets					
FVTOCI investments	34	34	-	-	34
FVTPL financial assets					
Trade and other receivables (excl. prepayments)	3	-	-	3	-
Financial assets at amortised cost					
Cash and cash equivalents	104	-	-	-	-
Trade and other receivables (excl. prepayments)	180	-	-	-	-
Total financial assets	321	34	-	3	34
FVTPL financial liabilities					
Trade and other payables (excl. accruals, taxation and social security)	-	-	-	-	-
Financial liabilities measured at amortised cost					
Borrowings	(122)	-	-	-	-
Trade and other payables (excl. accruals, taxation and social security)	(68)	-	-	-	-
Total financial liabilities	(190)	-	-	-	-

Notes to the financial statements for the year ended 31 December 2024 (continued)

26 Financial instruments *(continued)*

(a) Fair values of financial instruments *(continued)*

The fair value of the Group's financial instruments are disclosed in a fair value hierarchy based on the valuation technique used to determine fair value.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At 31 December 2024, the Group's financial assets classified at Level 3 of the fair value hierarchy were £7 million (2023: £34 million).

At 31 December 2024, the Group's financial assets classified at Level 2 of the fair value hierarchy were £4 million (2023: £3 million).

For all other financial instruments that are not measured at fair value on a recurring basis, the Directors consider that the carrying amounts of financial assets and financial liabilities approximate their fair values.

There were no transfers between levels during the year.

Valuation technique and inputs
The financial assets designated as FVTOCI consist primarily of properties held by the Group which are carried at initial cost plus capital expenditure. Given the early stage of operations the valuation approach is considered prudent. The carrying values of these properties are currently supportable by either refinance data or acquisition offers.

The financial instruments designated as FVTPL consist of currency forward contracts, which are revalued based on observable exchange rates at the balance sheet date.

(b) Financial risk management

The Group is exposed to a variety of financial risks: market risk (including foreign currency risk and interest rate risk), credit risk, capital risk and liquidity risk. The overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on financial performance.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate limits and controls and to monitor risks and adherence to limits. Financial risk management of the subsidiaries is delegated to those operating subsidiary boards. The Treasury functions of the Group and subsidiaries implement the financial risk management policies under governance approved by the various Boards of Directors. These risk management policies are reviewed regularly to reflect changes in market conditions and the Group’s activities.

26 Financial instruments *(continued)*

(b) Financial risk management *(continued)*

(i) Foreign currency risk

The Group's Treasury functions identify, evaluate and hedge financial risks. The boards approve the written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, the use of derivative financial instruments and investment of excess liquidity.

The Group's Treasury functions monitor compliance with the Group’s risk management policies and procedures, and review the adequacy of this risk framework with respect to the risks faced by the various parts of the Group.

The Group is primarily exposed to currency risk on cash balances, royalty income, intercompany funding and certain borrowings that are denominated in a currency other than Great British Pounds (GBP). The currencies in which these transactions are primarily denominated are United States Dollars (USD), Euro (EUR), Australian Dollar (AUD), South African Rand (ZAR) and Swiss Francs (CHF).

Currency risk is reduced through matching assets and liabilities in individual currencies and holding foreign currency balances to meet future obligations. The currency of forecast cash inflows and outflows is assessed to determine whether any exposure exists which requires hedging. Any exposure that requires hedging is managed through the application of the foreign exchange hedging policy.

The foreign exchange hedging policy aims to provide protection against sudden and significant movements in exchange rates. The policy allows the Group to hedge within bands up to 12 months out with declining percentages. In implementing the strategy, the foreign exchange hedging policy allows for the use of a number of derivatives available on the over-the-counter (OTC) markets with approved counterparties and within approved limits.

The analysis below demonstrates the profit impact of a strengthening or weakening of GBP against USD. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant. The exposure to other currencies is insignificant and therefore no sensitivity performed.

	2024 USD £m	2023 USD £m
Strengthening in exchange rate by 10%	**10%**	10%
Increase in profit before tax	**13**	8
Weakening in exchange rate by 10%	**10%**	10%
Decrease in profit before tax	**(13)**	(8)

Notes to the financial statements for the year ended 31 December 2024 (continued)

26 Financial instruments *(continued)*

(b) Financial risk management *(continued)*

(ii) Interest rate risk

The Group's interest rate risk arises primarily from its borrowings. Borrowings issued at variable interest rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's policy is to maintain a mix of fixed to floating rate debt.

The interest rate portfolio of the Group's interest-bearing financial instruments was as follows:

	Carrying amount	
	2024	2023
Fixed rate instruments	**£m**	£m
Financial assets	**51**	33
Financial liabilities	**(7)**	(8)
	44	25

The above table shows the principal amounts for financial instruments other than derivatives.

A sensitivity analysis has not been included as the interest risk rate due to the impact of interest rate fluctuations being immaterial to the Group.

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities. Refer to note 17 for expected credit loss information.

The Group is exposed to credit risk to the extent of the non-performance by its counterparties in respect of financial asset receivables and/or ‘in-the-money’ positions for derivative transactions. In respect of cash investments (including bank deposits and money market funds), the underlying counterparty as well as country limits are in place and based on several credit quality criteria. Each investment counterparty or money market fund must be rated by one rating agency (Fitch, Moody’s or S&P). Credit default swaps and Tier 1 capital adequacy requirements are also considered wherever relevant and available. Similarly for foreign exchange and interest rate swap counterparties, adequate processes are in place whereby credit ratings and credit default swaps are reviewed where available, ISDA master agreements are executed and parent guarantees are put in place wherever necessary to mitigate and minimise credit risk. Due diligence is carried out for new foreign exchange, investment and interest rate swap counterparties which are then presented to the Group’s Board for approval with the information mentioned above.

The maximum exposure to credit risk, as defined above, is limited to the carrying value of each class of asset as summarised in the table at the beginning of this note.

The Group and Company do not hold any collateral to specifically mitigate this exposure.

26 Financial instruments *(continued)*

(b) Financial risk management *(continued)*

(iv) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors its cash requirements on an ongoing basis. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses and impending capital calls and investment funding for a period of 18 months. This includes the servicing of financial obligations but excludes the potential impact of extreme circumstances that cannot be reasonably predicted, such as natural disasters.

Bank covenants are monitored on a quarterly basis to ensure compliance with lending agreements and an authorised certificate of compliance is provided to each of the main lending institutions which states compliance with the financial and security terms of the lending agreement.

The maturity profile of financial liabilities based on undiscounted gross cash flows and contractual maturities is as follows:

	2024			
	Within 1 year £m	**1-2 years £m**	**2-5 years £m**	**Over 5 years £m**
Non-derivative financial liabilities				
Trade and other payables (excl. accruals, taxation and social security)	**(34)**	**(12)**	**(3)**	**(34)**
Borrowings:				
Secured bank loans	**-**	**(14)**	**-**	**-**
Other borrowings	**(10)**	**-**	**-**	**-**
	(44)	**(26)**	**(3)**	**(34)**

	2023			
	Within 1 year £m	1-2 years £m	2-5 years £m	Over 5 years £m
Non-derivative financial liabilities				
Trade and other payables (excl. accruals, taxation and social security)	(67)	(1)	-	-
Borrowings:				
Secured bank loans	-	-	(24)	-
Other borrowings	(2)	-	(98)	-
	(69)	(1)	(122)	-

26 Financial instruments *(continued)*

(b) Financial risk management *(continued)*

(v) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure. The Group regularly reviews and maintains or adjusts the capital structure as appropriate and ensures that any restructuring does not impact its ability to achieve these objectives.

At 31 December 2024, the Group has £197 million of equity, £24 million of external debt and £28 million of related party debt.

Notes to the financial statements for the year ended 31 December 2024 (continued)

27 Group entities

The Group consists of a parent company, VHL, incorporated in the UK and a number of subsidiaries which operate and are incorporated around the world.

The subsidiaries of the Group as at 31 December 2024 were as follows (directly held investments are marked with a *):

Subsidiaries	Country of incorporation	% Holding	Share type
Bluebottle UK Limited* Whitfield Studios, 50A Charlotte Street, London W1T 2NS, United Kingdom	England & Wales	100.0%	Ordinary
Barfair Limited* Whitfield Studios, 50A Charlotte Street, London W1T 2NS, United Kingdom	England & Wales	100.0%	Ordinary
Virgin.com Limited* Whitfield Studios, 50A Charlotte Street, London W1T 2NS, United Kingdom	England & Wales	100.0%	Ordinary
Dragonfly SA* Avenue d'Ouchy 14, c/o Etude Pétremand & Rappo, avocats, 1006, Lausanne, Switzerland	Switzerland	100.0%	Ordinary
Tarrango Holdings Limited Craigmuir Chambers, Road Town, VG1110, Tortola, British Virgin Islands	British Virgin Islands	100.0%	Ordinary
VLE Limited Whitfield Studios, 50A Charlotte Street, London W1T 2NS, United Kingdom	England & Wales	100.0%	Ordinary
Virgin Management SA* Avenue D'Ouchy 14, c/o Etude Petremend & Rappo, avocats, 1006, Lausanne, Switzerland	Switzerland	100.0%	Ordinary
WCT Group Holdings Limited* Whitfield Studios, 50A Charlotte Street, London W1T 2NS, United Kingdom	England & Wales	51.0%	Ordinary
Virgin Hotels Limited* Whitfield Studios, 50A Charlotte Street, London W1T 2NS, United Kingdom	England & Wales	100.0%	Ordinary
Virgin Hotels Group Limited* Whitfield Studios, 50A Charlotte Street, London W1T 2NS, United Kingdom	England & Wales	100.0%	Ordinary

Notes to the financial statements for the year ended 31 December 2024 (continued)

27 Group entities *(continued)*

Subsidiaries	Country of incorporation	% Holding	Share type
V Secretarial Services Limited* Whitfield Studios, 50A Charlotte Street, London W1T 2NS, United Kingdom	England & Wales	100.0%	Ordinary
Virgin Group Limited* Whitfield Studios, 50A Charlotte Street, London W1T 2NS, United Kingdom	England & Wales	100.0%	Ordinary
Virgin Management USA, Inc* Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	USA	100.0%	Ordinary
Voyager Group Limited* Whitfield Studios, 50A Charlotte Street, London W1T 2NS, United Kingdom	England & Wales	100.0%	Ordinary
Virgin Corporate Services Limited* Whitfield Studios, 50A Charlotte Street, London W1T 2NS, United Kingdom	England & Wales	100.0%	Ordinary
Virgin Management Limited* Whitfield Studios, 50A Charlotte Street, London W1T 2NS, United Kingdom	England & Wales	100.0%	Ordinary
Virgin Entertainment Holdings, Inc Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	USA	100.0%	Ordinary
VHP Holdings, LP Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	USA	98.1%	Class A units
Virgin Summit Eden House, LLC Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	USA	100.0%	Membership interest
VHRE Las Vegas, LLC Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	USA	100.0%	Membership interest

Notes to the financial statements for the year ended 31 December 2024 (continued)

27 Group entities *(continued)*

Subsidiaries	Country of incorporation	% Holding	Share type
Village Development, LLC Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	USA	100.0%	Membership
V3L Nashville, Inc Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	USA	100.0%	Ordinary
Charter Air (DE), LLC Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	USA	100.0%	Ordinary
VHRE New Orleans, LLC Incorp Services, Inc, 131 Continental Drive, Suite 301, Newark, New Castle, DE, 19713, United States	USA	100.0%	Membership interest
Virgin Hotels North America, LLC Incorp Services, Inc, 131 Continental Drive, Suite 301, Newark, New Castle, DE, 19713, United States	USA	86.5%	Membership interest
VHNA, LLC Incorp Services, Inc, 131 Continental Drive, Suite 301, Newark, New Castle, DE, 19713, United States	USA	86.5%	Membership interest
VH Legacy, LLC Incorp Services, Inc, 131 Continental Drive, Suite 301, Newark, New Castle, DE, 19713, United States	USA	86.5%	Membership interest
Virgin Hotels Dallas, LLC Incorp Services, Inc, 131 Continental Drive, Suite 301, Newark, New Castle, DE, 19713, United States	USA	86.5%	Membership interest
Virgin Hotels San Francisco, LLC Incorp Services, Inc, 131 Continental Drive, Suite 301, Newark, New Castle, DE, 19713, United States	USA	86.5%	Membership interest
VH San Fran, LLC Incorp Services, Inc, 5716 Corsa Avenue, Suite 110, Westlake Village, CA 91362-7354, United States	USA	86.5%	Membership interest
Virgin Hotels Holdings, LLC Incorp Services, Inc, 131 Continental Drive, Suite 301, Newark, New Castle, DE, 19713, United States	USA	96.4%	Class A units

Notes to the financial statements for the year ended 31 December 2024 (continued)

27 Group entities *(continued)*

Subsidiaries	Country of incorporation	% Holding	Share type
Virgin Hotels, LLC Incorp Services, Inc, 131 Continental Drive, Suite 301, Newark, New Castle, DE, 19713, United States	USA	96.1%	Membership interest
Virgin Hotels Nashville, LLC Incorp Services, Inc, 131 Continental Drive, Suite 301, Newark, New Castle, DE, 19713, United States	USA	86.5%	Membership interest
Virgin Hotels New Orleans, LLC Incorp Services, Inc, 131 Continental Drive, Suite 301, Newark, New Castle, DE, 19713, United States	USA	86.5%	Membership interest
VH New Orleans Concessions, LLC Incorp Services, INC., 3867 Plaza Tower Dr., 1st Floor, Baton Rouge, LA, 70816, United States	USA	86.5%	Membership interest
Virgin Hotels Philadelphia, LLC Incorp Services, Inc, 131 Continental Drive, Suite 301, Newark, New Castle, DE, 19713, United States	USA	86.5%	Membership interest
Virgin Hotels Edinburgh, LLC Incorp Services, Inc, 131 Continental Drive, Suite 301, Newark, New Castle, DE, 19713, United States	USA	86.5%	Membership interest
Virgin Hotels Chicago, LLC Incorp Services, Inc, 131 Continental Drive, Suite 301, Newark, New Castle, DE, 19713, United States	USA	86.5%	Membership interest
VHC Upper LLC 203 N Wabash Ave Chicago, IL 60601, United States	USA	86.5%	Membership interest
VHC Middle LLC 203 N Wabash Ave Chicago, IL 60601, United States	USA	86.5%	Membership interest

Notes to the financial statements for the year ended 31 December 2024 (continued)

27 Group entities *(continued)*

Subsidiaries	Country of incorporation	% Holding	Share type
VHC Lower LLC 203 N Wabash Ave Chicago, IL 60601, United States	USA	86.5%	Membership interest
VHLF, LLC Incorp Services, Inc, 131 Continental Drive, Suite 301, Newark, New Castle, DE, 19713, United States	USA	86.5%	Membership interest
Virgin Hotels Miami Brickell, LLC Incorp Services, Inc, 131 Continental Drive, Suite 301, Newark, New Castle, DE, 19713, United States	USA	86.5%	Membership interest
Virgin Hotels Las Vegas, LLC Incorp Services, Inc, 131 Continental Drive, Suite 301, Newark, New Castle, DE, 19713, United States	USA	86.5%	Membership interest
Virgin Hotels Glasgow, LLC Incorp Services, Inc, 131 Continental Drive, Suite 301, Newark, New Castle, DE, 19713, United States	USA	86.5%	Membership interest
VHD Concessions Holdings, LLC Incorp Services Inc, 815 Brazos Street, STE. 500 Austin, TX, 78701, United States	USA	86.5%	Membership interest
VHD Concessions Middle, LLC Incorp Services Inc, 815 Brazos Street, STE. 500 Austin, TX, 78701, United States	USA	86.5%	Membership interest
VH Dallas Concessions, LLC Incorp Services Inc, 815 Brazos Street, STE. 500 Austin, TX, 78701, United States	USA	86.5%	Membership interest
Virgin Hotels Central Services, LLC Incorp Services, Inc, 131 Continental Drive, Suite 301, Newark, New Castle, DE, 19713, United States	USA	86.5%	Membership interest

27 Group entities *(continued)*

Subsidiaries	Country of incorporation	% Holding	Share type
Baronne Street Hotel Sponsor Parent, LLC Robert E Buccini, 1000 N West Street Suite 900, Wilmington DE 19801, United States	USA	69.2%	Ordinary
Baronne Street Hotel Sponsor, LLC Robert E Buccini, 1000 N West Street Suite 900, Wilmington DE 19801, United States	USA	69.2%	Ordinary
Virgin Management Consulting (Shanghai) Co Room 27, 23rd Floor, 33 Hua Yuan Shi Qiao Road, Pu Dong District, Shanghai, China	China	100.0%	Ordinary
VTE Holdings Limited* Whitfield Studios, 50A Charlotte Street, London W1T 2NS, United Kingdom	England & Wales	100.0%	Ordinary
Virgin Sky Investments Limited Whitfield Studios, 50A Charlotte Street, London W1T 2NS, United Kingdom	England & Wales	100.0%	Ordinary
VH (Spain) Limited Whitfield Studios, 50A Charlotte Street, London W1T 2NS, United Kingdom	England & Wales	100.0%	Ordinary
Arenal & Dunas Resort SLU Pau Claris 97, 4º 1ª, 08009, Barcelona, Spain	Spain	100.0%	Ordinary
Son Bunyola SLU Pau Claris 97, 4º 1ª, 08009, Barcelona, Spain	Spain	100.0%	Ordinary
Son Creus SLU Pau Claris 97, 4º 1ª, 08009, Barcelona, Spain	Spain	100.0%	Ordinary
Dinicero SLU Pau Claris 97, 4º 1ª, 08009, Barcelona, Spain	Spain	100.0%	Ordinary
Ganson SLU Pau Claris 97, 4º 1ª, 08009, Barcelona, Spain	Spain	100.0%	Ordinary
Zickner 5000 SLU Pau Claris 97, 4º 1ª, 08009, Barcelona, Spain	Spain	100.0%	Ordinary
Rimdrax 5000 SLU Pau Claris 97, 4º 1ª, 08009, Barcelona, Spain	Spain	100.0%	Ordinary

Notes to the financial statements for the year ended 31 December 2024 (continued)

27 Group entities *(continued)*

Subsidiaries	Country of incorporation	% Holding	Share type
Investment Facility Company Forty (Pty) Limited Suite 28 NetworkSpaces, 345 Rivonia Road, Rivonia, Guateng, 2191, South Africa	South Africa	100.0%	Ordinary
Ulusaba Rock Lodge (Pty) Limited Suite 28 NetworkSpaces, 345 Rivonia Road, Rivonia, Guateng, 2191, South Africa	South Africa	100.0%	Ordinary
Verbier Lodge SA Chemin de Plendazeu 3, 1936 Verbier, Switzerland	Switzerland	100.0%	Ordinary
Virgin Hotels Maroc SA Kasbah Tamadot, Route D'Imlil, ASNI, Morocco	Morocco	100.0%	Ordinary
Virgin Start Up Limited Whitfield Studios, 50A Charlotte Street, London W1T 2NS, United Kingdom	England & Wales	100.0%	Ordinary
VEL Holdings Limited Whitfield Studios, 50A Charlotte Street, London W1T 2NS, United Kingdom	England & Wales	100.0%	Ordinary
Virgin Enterprises Limited Whitfield Studios, 50A Charlotte Street, London W1T 2NS, United Kingdom	England & Wales	100.0%	Ordinary
Virgin Aviation TM Limited Whitfield Studios, 50A Charlotte Street, London W1T 2NS, United Kingdom	England & Wales	100.0%	Ordinary
VAL Trademark Two Limited Whitfield Studios, 50A Charlotte Street, London W1T 2NS, United Kingdom	England & Wales	100.0%	Ordinary

Notes to the financial statements for the year ended 31 December 2024 (continued)

27 Group entities *(continued)*

Subsidiaries	Country of incorporation	% Holding	Share type
VAL TM (Holdings) Limited Whitfield Studios, 50A Charlotte Street, London W1T 2NS, United Kingdom	England & Wales	51.0%	Ordinary
VAL TM Limited Whitfield Studios, 50A Charlotte Street, London W1T 2NS, United Kingdom	England & Wales	51.0%	Ordinary
Virgin Trustee Services Limited Whitfield Studios, 50A Charlotte Street, London W1T 2NS, United Kingdom	England & Wales	100.0%	Ordinary
Virgin Limited Whitfield Studios, 50A Charlotte Street, London W1T 2NS, United Kingdom	England & Wales	100.0%	Ordinary
Virgin Management South Africa (Pty) Limited Unit G5 Century Gate Office Park, CNR Century Way and Bosmansdam Road, Century City, 7441, South Africa	South Africa	100.0%	Ordinary
West Coast Trains Limited Whitfield Studios, 50A Charlotte Street, London W1T 2NS, United Kingdom	England & Wales	51.0%	Ordinary
Redstar Ticketing Limited Whitfield Studios, 50A Charlotte Street, London W1T 2NS, United Kingdom	England & Wales	51.0%	Ordinary
WCT Group Limited Whitfield Studios, 50A Charlotte Street, London W1T 2NS, United Kingdom	England & Wales	51.0%	Ordinary
Virgin Red Limited* Whitfield Studios, 50A Charlotte Street, London W1T 2NS, United Kingdom	England & Wales	75.0%	Ordinary
VH VLE Topco Limited Whitfield Studios, 50A Charlotte Street, London W1T 2NS, United Kingdom	England & Wales	100.0%	Ordinary

Notes to the financial statements for the year ended 31 December 2024 (continued)

27 Group entities *(continued)*

Subsidiaries	Country of incorporation	% Holding	Share type
VHC Opco Limited Whitfield Studios, 50A Charlotte Street, London W1T 2NS, United Kingdom	England & Wales	100.0%	Ordinary
VHC Holdco UK Limited Whitfield Studios, 50A Charlotte Street, London W1T 2NS, United Kingdom	England & Wales	100.0%	Ordinary
VH London Shoreditch Limited Whitfield Studios, 50A Charlotte Street, London W1T 2NS, United Kingdom	England & Wales	100.0%	Ordinary
VH London Shoreditch, LLC Incorp Services, Inc, 131 Continental Drive, Suite 301, Newark, New Castle, DE, 19713, United States	USA	86.5%	Membership
VHC Holdco US, LLC Incorp Services, Inc, 131 Continental Drive, Suite 301, Newark, New Castle, DE, 19713, United States	USA	100.0%	Membership
Virgin Hotels New York, LLC Incorp Services, Inc, 131 Continental Drive, Suite 301, Newark, New Castle, DE, 19713, United States	USA	86.5%	Membership
VHVC, LLC Incorp Services, Inc, 131 Continental Drive, Suite 301, Newark, New Castle, DE, 19713, United States	USA	86.5%	Membership
VH Denver Fox Park, LLC Incorp Services, Inc, 131 Continental Drive, Suite 301, Newark, New Castle, DE, 19713, United States	USA	86.5%	Membership

Notes to the financial statements for the year ended 31 December 2024 (continued)

27 Group entities *(continued)*

Joint ventures and associates	Country of incorporation	% Holding	Share type
VH Properties, LLLP Corporation Trust Center,1209 Orange St, Wilmington. New Castle, United States	USA	35.0%	Partnership interest
VHB Properties, LLC Corporation Trust Center,1209 Orange St, Wilmington, New Castle, United States	USA	35.0%	Membership interest
VHNA Acquisitions, LP Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	USA	31.5%	Partnership interest
VHNA Acquisition, LLC Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	USA	35.0%	Membership interest
Nashville Music Row Hotel JV LLC Robert E Buccini, 322 A Street, Suite 300, Wilmington DE 19801, USA	USA	50.0%	Ordinary
Nashville Music Row Hotel Holdings, LLC Robert E Buccini, 322 A Street, Suite 300, Wilmington DE 19801, USA	USA	50.0%	Ordinary
Nashville Music Row Hotel Mezz, LLC Robert E Buccini, 322 A Street, Suite 300, Wilmington DE 19801, United States	USA	50.0%	Ordinary
Nashville Music Row Hotel Owner, LLC Robert E Buccini, 322 A Street, Suite 300, Wilmington DE 19801, United States	USA	50.0%	Ordinary
Exeter Property Holdings (Pty) Limited 3 Solitaire, 73A Pretoria Avenue, Atholl, 2196, South Africa	South Africa	50.0%	Ordinary

27 Group entities *(continued)*

Subsidiary audit exemptions

Virgin Holdings Limited has provided a guarantee over the outstanding liabilities of the below entities as at 31 December 2024 pursuant to section 479C of the Companies Act 2006. These entities are exempt from the requirements of the Companies Act 2006 relating to the audit of individual accounts by virtue of section 479A of the Companies Act 2006.

Company	Company number
Virgin Sky Investments Limited	2366582
VH VLE Topco Limited	14488199
VHC Opco Limited	14490056
VHC Holdco UK Limited	14492307

28 Post Balance Sheet Events

Financing - VEL Holdings facility

On 27th February 2025, Virgin Holdings Limited, Virgin Enterprises Limited 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, Virgin Enterprises Limited, VEL Holdings Limited and Virgin Aviation TM Limited. At the date of these financial statements there is £nil drawn on the facility.

Financing - Virgin Management facility

On 23 May 2025, Virgin Management Limited drew down on the Clydesdale bank Facility B in the amount of £9.4 million, with an expiry date of 23 June 2025. On 23 June 2025, Virgin Management Limited rolled Facility A of £9.5 million and Facility B of £9.4 million into Facility C in the amount of £18.9 million, with an expiry date of 23 June 2028. Refer to note 19 for further details on the Clydesdale bank facility.