

Registration number: 1073929

Virgin Enterprises Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2020

Virgin Enterprises Limited

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Virgin Enterprises Limited

Strategic Report for the Year Ended 31 December 2020

Virgin Enterprises Limited (the "Company") is principally engaged in the management, protection and development of the Virgin brand.

The Company is part of the Virgin Group, which comprises Virgin Group Holdings Limited (its ultimate parent company) and its subsidiaries. The principal activities of the Virgin Group comprise i) investment management, ii) brand licensing (which is primarily undertaken by the Company), and iii) an investment portfolio.

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

Summary financial performance and key performance indicators

For the year ended 31 December 2020 turnover totalled £59.6m, compared with £71.9m for the year ended 31 December 2019. Covid-19 has had and continues to have a significant impact on the Company's travel and leisure licence businesses. As a result of the impact on the underlying licensee businesses, the Company's brand licencing revenues has reduced by £13.3m since 2019. This decrease was offset by £1m relating to the good performance of licensees in sectors not impacted by Covid-19.

Profit before taxation totalled £40.2m in the year ended 31 December 2020, compared against £47.2m for the year ended 31 December 2019 due to reduced turnover, offset by a reduction in administration expenses.

The Company paid a dividend of £25.0m during 2020 (2019: £48.9m) to its intermediate UK parent company Virgin Holdings Limited, to enable the Virgin Group to invest in other businesses including Virgin Atlantic, Virgin Orbit and Virgin Voyages. Virgin Holdings Limited acts as the main treasury entity for the Virgin Group.

As at 31 December 2020, the Company had net assets of £64.9m (2019: £57.5m), an increase of 13%, due to an increase in trade receivables from group related undertakings.

Development and performance of the business

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

Principal risks and uncertainties

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

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

Virgin Enterprises Limited

Strategic Report for the Year Ended 31 December 2020

Going concern

As set out in note 1.2 to the Financial Statements, the Directors have a reasonable expectation that the Company has 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 annual financial statements.

Section 172 Companies Act 2006

The Directors have acted in a way that they consider, in good faith, is most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard to the stakeholders and matters set out in s172(1) of the Companies Act 2006 in the decisions taken during the year as set out below.

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

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

The Company is a long-term purpose-led brand owner. As such, key decisions made relating to the brand and the brand licensing business take into consideration the long-term consequences and outcomes of:

- expected growth in shareholder value derived by the brand licensing business;
- impact on the Virgin Group's medium to long-term liquidity;
- impact on the Virgin brand.

A five-year plan relating to the brand licensing is agreed annually. The plan encompasses a review of all Licensees, expected royalty forecasts and corporate development.

Key decisions taken during the year included:

- Agreeing concessions with businesses which have been negatively impacted as a result of the Covid-19 pandemic, for example:
 - extending and amending the trademark licence agreements with Virgin Australia and providing liquidity support, to assist Virgin Australia in exiting its voluntary administration through an acquisition and recapitalisation led by Bain Capital, including additional investment by Virgin Group; and
 - providing liquidity support to Virgin Active and Virgin Atlantic by agreeing royalty relief and support.
- Amending or entering into new trademark licence agreements in respect of the Virgin brand with licensees.

b) The interest of the company's employees

Virgin Management is the main employing entity in the Virgin Group (outside of the customer facing investee businesses). Virgin Management quickly recognised that the Covid-19 pandemic would have a significant impact on its employees. It therefore took various actions aimed at supporting its employees, including:

- Enhancing the existing framework of flexible working and employee support programmes to support employees during the crisis. For example a renewed focus was placed on employee wellbeing (whether physical, mental or financial) through providing expert training on matters like resilience and additional investments were made to ensure all employees were optimally set up to work from home.
- Providing regular updates through newsletters and virtual CEO townhalls on matters concerning the Virgin Group and the support being provided to its businesses.
- Helping employees with children through flexible working initiatives, parent forums and curating information to help parents support children.

Virgin Enterprises Limited

Strategic Report for the Year Ended 31 December 2020

More generally, at the Virgin Group, we believe that all our people should feel they can be 100 per cent themselves at work. That can only occur when we achieve a truly diverse work force which we are striving for and working together to achieve across the Virgin Group.

Diversity & Inclusion: All companies within the Group aim to make an inclusive workplace for everyone, regardless of age, gender, race, sexual orientation, disability, religion, belief or non-belief, marital status and family circumstances

Communication & Engagement: we seek to operate a framework of employee communication and engagement initiatives which helps our people feel a sense of shared purpose and connection with our business strategy, and to facilitate a two-way dialogue between our people and the board.

This is achieved through company intranet, newsletters, employee forums and the use of engagement surveys and corresponding action plans.

Learning & Development: we commit to equipping our people with the expertise and knowledge they need to be successful in their current role and supporting them in continuing to grow and develop their career.

As an employer, Virgin Management, is committed to achieving diversity, engagement and development as demonstrated by:

- the appointment of Holly Branson as Chief Purpose and Vision Officer whose focus is on ensuring the Virgin Group is a purposeful business and is committed to helping to create an inclusive, diverse and innovative 21st Century culture;
- the board having individual and collective objectives based on employee culture and development and regular board discussions of employee matters;
- the adoption of progressive and innovative employee policies, including wellbeing, flexible working, unlimited holiday and enhanced shared parental leave;
- the high level of engagement in D&I working groups, each led by a member of the senior management team, leading to an output of recommended actions and education materials, newsletters and talks on D&I themes;
- being a signatory to the Race at Work Charter, established by Business in the Community;
- weekly updates, live Q&As and quarterly meetings for all Virgin Management employees led by the Chief Executive Officer to update on activity across the Virgin Group; and
- a comprehensive training programme on diverse areas such as resilience, wellbeing, project management and objective setting are open to all employees of Virgin Management.

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

The main suppliers are service providers such as legal firms, consultancies, marketing agencies, IT support, HR services, facilities and travel. Close working relationships are maintained with key suppliers and we work constructively with many of them to share best practices on matters such as environmental and labour standards.

The Company fosters particularly close relationships with its Brand Licensees, given their use of the Virgin brand, through engagement as a brand licensor where standards/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 Virgin Group has appointed dedicated teams whose remit is to work with its Virgin-branded investments and Licensees in support of these areas.

The Company also influences and guides strategy in connection with suppliers and customers of Virgin businesses through the Virgin Group's role as a shareholder (including through its representative Directors on the boards of certain investments).

Virgin Enterprises Limited

Strategic Report for the Year Ended 31 December 2020

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

The Board regularly assesses the Virgin Group's social and environmental impacts and considers how it can influence positive and systemic change.

The Board understands the Virgin Group's environmental impact and is committed to responding to the risk of climate change for the benefit of the planet and its communities.

Virgin Management has committed to reaching net zero greenhouse gas emissions by 2023, in respect of its operations and supply chain, under its net zero strategy. This includes reduction in travel, reduction of supply chain carbon footprint, and engagement with employees. The strategy targets a reduction in greenhouse gas emissions from operations and supply chain of 50% by 2030, over a 2018 baseline.

The Virgin Group has committed to net-zero greenhouse gas emissions by 2050. The Board regularly reviews progress on carbon reduction across the Virgin Group, considering actions that enable progress towards its achievement, and has appointed a dedicated team whose remit is to work with its Virgin-branded investments and licensees and support their journey to net zero, reduction of other environmental impacts and social risks, work to promote diversity and inclusion and maximisation of opportunities to create positive social impacts.

As part of the Group's awareness of its social responsibility, we engage in a comprehensive range of activities:

- financial and operational support for Virgin Unite, the independent entrepreneurial foundation of the Virgin Group and the Branson family (the value of donations and support in the financial year 2020 were approximately £3million);
- financial and operational support for Virgin Start Up Limited, which is not-for-profit and was founded by the Virgin Group to help founders in the UK to start and scale early stage businesses including through access to loans from the Government's Start Up Loans Company (total value of financial support in the financial year 2020 was approximately £1.6million);
- a proactive advocacy agenda which supports and campaigns for social change on a broad range of issues, such as:
 - integration of refugees in the UK;
 - drug policy reform;
 - criminal justice reform and the reduction of reoffending rates; and
 - greater awareness of support and neurodiversity, particularly dyslexia
- the promotion of progressive policies across the Virgin Group, such as recruiting ex-offenders in the UK or the integration of refugee-led businesses in supply chains.

In the community, Virgin Management supports specific local initiatives which in 2020 included the North Paddington Foodbank. We have also worked with the Skill Mill, a UK-based social enterprise employing ex-offenders and people from disadvantaged backgrounds to source face masks for Virgin Management.

The Group has supported vulnerable individuals, health providers and communities as part of its widespread response to the Covid-19 pandemic. For example:

- the Virgin Care team worked on the frontline response helping hospitals create as much bed capacity as possible by supporting people in their own homes and communities;
- Virgin Orbit responded to the medical community's request and created a ventilator to support Covid-19 patients;
- Virgin Atlantic delivered millions of items of personal protective equipment ("PPE") to the UK from China; and
- Virgin Unite and Virgin Atlantic collaborated to fly PPE from China to Eswatini and Mozambique.

Virgin Enterprises Limited

Strategic Report for the Year Ended 31 December 2020

e) The desirability of the company maintaining a reputation for high standards of business conduct

Virgin Management has specific policies on modern slavery, 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.

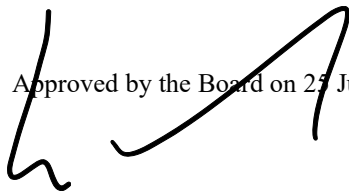
The Virgin Group also understands that business has a wider responsibility to promote good and should not exist purely for commercial profit.

In particular, we understand that the tax we pay is an important part of our 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 Limited is tax resident in the UK and pays UK tax on the royalties it receives from its global 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 as between members of the company

The Virgin Group has been in operation for 50 years having been founded by Sir Richard Branson in 1970. He remains the sole shareholder of Virgin Group Holdings Limited, the ultimate parent of the Company.

Approved by the Board on 25 June 2021 and signed on its behalf by:



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I P Woods
Director
The Battleship Building
179 Harrow Road
London
W2 6NB

Virgin Enterprises Limited

Directors' Report for the Year Ended 31 December 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

Results and dividends

The profit for the year, after taxation, amounted to £32.4m (2019: £37.2m).

During the year the Company declared and settled a dividend of £25.0m (2019: £48.9m) to its intermediate UK parent company Virgin Holdings Limited, to enable the Virgin Group to invest in other businesses including Virgin Atlantic, Virgin Orbit and Virgin Voyages. Virgin Holdings Limited acts as the main treasury entity for the Virgin Group.

Charitable Donations

In 2020 donations of £1,933,102 (2019: £1,619,396) were made to Virgin Unite, the independent entrepreneurial foundation of the Virgin Group and the Branson family.

Streamlined Energy and Carbon Reporting

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

Directors' of the company

The directors, who served during the year, were as follows:

I P Woods

L Thomas (resigned 31 October 2020)

J Bayliss (resigned 23 January 2020)

A J Swaffield (appointed 1 December 2020)

Disclosure of information to the auditors

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

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

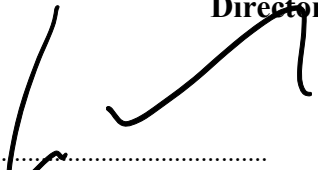
Auditor

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

Approved by the Board on 25 June 2021 and signed on its behalf by:

Virgin Enterprises Limited

Directors' Report for the Year Ended 31 December 2020



.....
I Woods
Director
The Battleship Building
179 Harrow Road
London
W2 6NB

Virgin Enterprises Limited

Statement of Directors' Responsibilities in respect of the annual report and the Financial Statements

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

Virgin Enterprises Limited

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

Opinion

We have audited the financial statements of Virgin Enterprises Limited (“the company”) for the year ended 31 December 2020, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Going concern

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

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

Our conclusions based on this work:

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

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

Virgin Enterprises Limited

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

Fraud and breaches of laws and regulations - ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

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

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

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements. On this audit we do not believe there is a fraud risk related to revenue recognition because the company does not earn 3rd party 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.
- Evaluated the business purpose of significant unusual transactions

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 other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

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

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

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

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

Virgin Enterprises Limited

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

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

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

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

Strategic report and directors' report

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

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

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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.

Virgin Enterprises Limited

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

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.



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Polina Nikolaev (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

15 Canada Square
London
E14 5GL

29 June 2021

Virgin Enterprises Limited

Profit and Loss Account for the Year Ended 31 December 2020

	Note	2020 £ 000	2019 £ 000
Turnover	2	59,599	71,869
Gross profit		59,599	71,869
Administrative expenses		(20,030)	(25,971)
Other operating income	3	283	634
Operating profit	4	39,852	46,532
Interest receivable and similar income	8	1,180	1,452
Interest payable and similar expenses	9	(789)	(739)
Profit before tax		40,243	47,245
Tax on profit	10	(7,876)	(10,072)
Profit for the year		32,367	37,173
Other comprehensive income for the year		-	-
Total comprehensive income for the year		32,367	37,173

There were no recognised gains and losses for 2020 and 2019 other than those included in the Profit and Loss Account.

The notes on pages 16 to 30 form part of these financial statements.

Virgin Enterprises Limited
(Registration number: 1073929)
Balance Sheet as at 31 December 2020

	Note	31 December 2020 £ 000	31 December 2019 £ 000
Non-current assets			
Intangible assets	11	53,467	57,749
Current assets			
Debtors: amounts falling due within one year	12	51,083	39,990
Deferred tax asset	10	75	226
Cash at bank and in hand	14	4,299	7,150
		<u>55,457</u>	<u>47,366</u>
Creditors: amounts falling due within one year	13	<u>(22,731)</u>	<u>(24,258)</u>
Net current assets		<u>32,726</u>	<u>23,108</u>
Total assets less current liabilities		<u>86,193</u>	<u>80,857</u>
Provisions for liabilities			
Creditors: amounts falling due after more than one year	13	<u>(21,277)</u>	<u>(23,308)</u>
Net assets		<u>64,916</u>	<u>57,549</u>
Capital and reserves			
Called up share capital	15	6,365	6,365
Share premium account		2,600	2,600
Profit and loss account		55,951	48,584
Shareholders' funds		<u>64,916</u>	<u>57,549</u>

The financial statements were approved and authorised by the board and were signed on its behalf on 25 June 2021.

I P Woods
 Director

The notes on pages 16 to 30 form part of these financial statements.

Virgin Enterprises Limited

Statement of Changes in Equity for the Year Ended 31 December 2020

	Share capital	Share	Retained	Total
	£ 000	premium	earnings	£ 000
	£ 000	£ 000	£ 000	£ 000
At 1 January 2020	6,365	2,600	48,584	57,549
Profit for the year	-	-	32,367	32,367
Total comprehensive income	-	-	32,367	32,367
Bonus issue	48,584	-	(48,584)	-
Capital reduction	(48,584)	-	48,584	-
Dividends	-	-	(25,000)	(25,000)
At 31 December 2020	<u>6,365</u>	<u>2,600</u>	<u>55,951</u>	<u>64,916</u>
	Share capital	Share	Retained	Total
	£ 000	premium	earnings	£ 000
	£ 000	£ 000	£ 000	£ 000
At 1 January 2019	6,365	2,600	60,277	69,242
Profit for the year	-	-	37,173	37,173
Total comprehensive income	-	-	37,173	37,173
Dividends	-	-	(48,866)	(48,866)
At 31 December 2019	<u>6,365</u>	<u>2,600</u>	<u>48,584</u>	<u>57,549</u>

The notes on pages 16 to 30 form part of these financial statements.

Virgin Enterprises Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

1 Accounting policies

1.1 Basis of preparation

Virgin Enterprises Limited (the "Company") is a private company limited by shares, incorporated and domiciled in the UK. The registered office address is The Battleship Building, 179 Harrow Road, London, W2 6NB.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The Company's intermediate parent, Virgin UK Holdings Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Virgin UK Holdings Limited are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from the address in note 17.

The financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101") and the Companies Act 2006.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006, 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.

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

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

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

Virgin Enterprises Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

1.2 Going concern

The Directors have a reasonable expectation that the Company has 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 annual financial statements.

In making this assessment, the Directors have considered the ongoing impact of the Covid-19 pandemic on the Company's licensee businesses. In particular, the Directors have considered:

Cash flow forecasts for the period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides and the anticipated impact of COVID-19 on the operations and its financial resources, the Company will have sufficient funds to meet its liabilities as they fall due for that period.

The Directors have specifically considered:

- Eventualities of not collecting royalties from customers. This involved assessing the risks and opportunities associated with key customers and adopting a cautious approach in forecasting receipts from customers impacted by COVID-19. Royalty payments have been received for the top 5 customers for 2020 and the first quarter of 2021, in line with the payment terms set out in the trademark license agreements.
- Stress tests on cash flow forecasts, of which the cash inflows would need to decline by more than 50% before the going concern conclusions were impacted.

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

1.3 Debtors

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

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

1.4 Creditors

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

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

1.5 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Virgin Enterprises Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

1.6 Financial assets and liabilities

Classification

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

Recognition and measurement

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

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

Impairment

Impairment of non-derivative financial assets

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

Derecognition of non-derivative financial assets

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

Derecognition of non-derivative financial liabilities

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

1.7 Foreign currency

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

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

Virgin Enterprises Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

1.8 Impairment of non-financial assets

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

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

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

The carrying amounts of the Company's non-financial 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 an 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, 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 profit and loss.

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

1.9 Dividend income

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

1.10 Employee Benefits

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

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

Virgin Enterprises Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

1.11 Finance income and costs policy

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities, finance leases recognised in the profit and loss account using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (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. Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method.

1.12 Current and deferred taxation

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

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

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

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

1.13 Intangible assets

Separately acquired trademarks and licences are shown at historical cost.

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

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

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

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

Virgin Enterprises Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

1.14 Turnover

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

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

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

1.15 Provisions for liabilities

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

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

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

Virgin Enterprises Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

2 Turnover

The analysis of the company's turnover for the year from continuing operations is as follows:

	2020	2019
	£ 000	£ 000
Royalties received	<u>59,599</u>	<u>71,869</u>

The analysis of the company's turnover for the year by market is as follows:

	2020	2019
	£ 000	£ 000
United Kingdom	36,541	45,742
European Union (excluding United Kingdom)	5,462	1,518
Europe - Other	4,472	3,191
North America	7,986	7,925
Middle East and Africa	1,994	2,318
Asia	1,573	1,847
Oceania	<u>1,571</u>	<u>9,328</u>
	<u>59,599</u>	<u>71,869</u>

3 Other operating income

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

	2020	2019
	£ 000	£ 000
Other operating income	<u>283</u>	<u>634</u>

4 Operating profit

Arrived at after charging/(crediting)

	2020	2019
	£ 000	£ 000
Impairment of intangible assets	944	1,950
Foreign exchange losses/(gains)	25	(150)
Amortisation	3,338	3,469
Employers Pension Costs	188	199
Employers Salary Sacrifice Pension Costs	<u>151</u>	<u>195</u>

Virgin Enterprises Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

5 Auditors' remuneration

	2020	2019
	£ 000	£ 000
Audit of the financial statements	24	16
	<u>24</u>	<u>16</u>

6 Staff costs

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

	2020	2019
	£ 000	£ 000
Wages and salaries	3,782	4,928
Social security costs	513	611
Pension costs, defined contribution scheme	339	394
	<u>4,634</u>	<u>5,933</u>

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

	2020	2019
	No.	No.
Administration and support	<u>35</u>	<u>34</u>

The majority of employees are employed by Virgin Management Limited and their costs are recharged to Virgin Enterprises Limited and included within staff costs accordingly.

The 2019 staff costs include a charge of £1m relating to the 2019 to 2021 long term incentive plan. The cost was released during 2020.

Virgin Enterprises Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

7 Directors' remuneration

	2020	2019
	£ 000	£ 000
Directors' emoluments	829	713
Company contributions to defined contribution pension schemes	10	12
	839	725
	839	725

During the year retirement benefits were accruing to 3 directors (2019: 2) in respect of defined contribution schemes.

Remuneration for certain directors is paid by other Virgin Group entities.

In respect of the highest paid director:

	2020	2019
	£ 000	£ 000
Remuneration	800	700

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £0.01m (2019: £0.01m).

8 Interest receivable and similar income

	2020	2019
	£ 000	£ 000
Interest income from group companies	1,180	1,436
Other finance income	-	16
	1,180	1,452
	1,180	1,452

9 Interest payable and similar charges

	2020	2019
	£ 000	£ 000
Interest expense on contract liabilities	624	677
Net foreign exchange losses	165	62
	789	739
	789	739

Virgin Enterprises Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

10 Taxation

	2020	2019
	£ 000	£ 000
Current tax		
UK corporation tax	7,789	9,712
Adjustments in respect of previous periods	(212)	645
Foreign Tax relief	(528)	(1,066)
Foreign tax	521	933
Foreign tax adjustment to prior periods	155	-
Total current tax	<u>7,725</u>	<u>10,224</u>
Deferred taxation		
Arising from origination and reversal of temporary differences	131	(43)
Adjustments in respect of previous periods	20	(109)
Total deferred taxation	<u>151</u>	<u>(152)</u>
Tax on profit on ordinary activities	<u>7,876</u>	<u>10,072</u>

Factors affecting tax charge for the year

The charge for the year can be reconciled to the profit per the profit and loss account as follows:

	2020	2019
	£ 000	£ 000
Profit on ordinary activities before tax	<u>40,243</u>	<u>47,245</u>
Profit before taxation on continued operations multiplied by standard rate of corporation tax in the UK of 19.00% (2019 - 19.00%)	7,647	8,977
Expenses not deductible for tax purposes	488	662
Group relief for nil payment	(190)	-
Impact of changes in statutory tax rates	(25)	5
Double tax relief	(9)	(108)
Adjustments in respect of prior periods	<u>(35)</u>	<u>536</u>
Total tax charge	<u>7,876</u>	<u>10,072</u>

	2020	2019
	£ 000	£ 000
Recognised deferred tax assets and liabilities		
Fixed assets	(9)	(10)
Other timing differences	<u>(66)</u>	<u>(216)</u>
	<u>(75)</u>	<u>(226)</u>

Virgin Enterprises Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

	2020
	£ 000
Deferred Tax (Asset)/Liability	
As at 1 January 2020	(226)
Income statement charge/(credit)	<u>151</u>
As at 31 December 2020	<u><u>(75)</u></u>

A change to the main UK corporation tax rate, announced in the Budget on 11 March 2020, was substantively enacted on 17 March 2020. The rate applicable from 1 April 2020 now remains at 19 percent, rather than the previously enacted reduction to 17 percent. Accordingly the deferred tax (asset)/liability as at 31 December 2020 has been calculated at the rate of 19% (2019:17%).

Following the announcement made in the 2021 budget, there will be an increase in the rate of UK corporation tax to 25% on 1 April 2023. This was substantively on 24 May 2021. The increase in the UK corporation tax rate would increase the deferred tax balance by £24,000.

Virgin Enterprises Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

11 Intangible assets

	Trademarks, patents and licenses £ 000
Cost or valuation	
At 1 January 2020	94,779
At 31 December 2020	94,779
Amortisation	
At 1 January 2020	37,030
Amortisation charge	3,338
Impairment charge	944
At 31 December 2020	41,312
Carrying amount	
At 31 December 2020	53,467
At 31 December 2019	57,749

Impairment testing for the period ended 31 December 2020 has identified an impairment loss of £944,000 to the carrying value of intangible assets which are not supported by forecasted cash flows. This loss has been recorded in profit and loss.

The recoverable amount of each intangible asset is calculated with reference to the value in use mode. Forecast pre-tax cash flows, discounted at a pre-tax discount rate and extrapolated into either perpetuity or the expiry of the licence agreement, are used to calculate the recoverable amount.

All remaining intangible assets held by the Company have been tested for impairment using the value in use model and no impairments were identified. Please refer to the table below for further of key assumptions.

At 31 December 2020, the intangible asset balance comprises of various intangible assets linked to specific trademark license agreements which the Company is party to. Assumptions applied in impairment testing are specific to each asset. The key assumptions applied are summarised in the table below:

Carrying Value (£000)	Pre Tax WACC Rate	Growth Rate	NPV (£000)	Remaining Useful Life
53,467	7.10% - 21.00%	2% - 3%	150,614	15 - 20 years

Virgin Enterprises Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

12 Trade and other debtors

	31 December 2020 £ 000	31 December 2019 £ 000
Trade debtors	2,253	4,970
Debtors from group related undertakings	31,631	16,816
Prepayments and contract assets	14,865	17,209
Other debtors	1,267	4
Corporation tax	1,067	991
	51,083	39,990

13 Trade and other creditors

	31 December 2020 £ 000	31 December 2019 £ 000
Trade creditors	399	288
Accrued expenses and contract liabilities	3,815	5,809
Amounts due to group related undertakings	14,244	15,055
Other creditors	4,273	3,106
	22,731	24,258

Creditors amounts falling due after more than one year

	31 December 2020 £ 000	31 December 2019 £ 000
Contract liabilities	21,277	23,308
	21,277	23,308

Amounts falling due after more than one year relate to prepaid royalties on fixed term licence agreements.

Financing

On 24 January 2019, Virgin Holdings Limited, Virgin Enterprises Limited and VEL Holdings Limited as borrowers and guarantors, entered into a new £250 million multi-currency revolving credit facility with Lloyds Bank plc, Barclays Bank plc and Royal Bank of Canada, comprising "RCF A", a one-year £100 million facility, and "RCF B", a three-year £150 million facility. RCF A was cancelled on 13 December 2019.

RCF B is guaranteed by Virgin Holdings Limited, Virgin Enterprises Limited, VEL Holdings Limited, Virgin Group Holdings Limited and Virgin Aviation TM Limited.

On 31 December 2020, £nil was drawn down under the RCF B.

Virgin Enterprises Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

14 Cash and cash equivalents

	31 December 2020	31 December 2019
	£ 000	£ 000
Cash at bank	<u>4,299</u>	<u>7,150</u>

15 Share capital

Allotted, called up and fully paid shares

	31 December 2020		31 December 2019	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £1 each	<u>6,365</u>	<u>6,365</u>	<u>6,365</u>	<u>6,365</u>

On 22 December 2020, the Company undertook a bonus issue whereby £48.6m was capitalised and appropriated as capital from existing retained earnings. On the same day, the Company carried out a capital reduction, whereby the ordinary share capital of the company was reduced to £6.4m.

Dividends

During the year the Company declared and settled dividends of £25.0m (2019: £48.9m), comprising cash and an intercompany receivables balance from its parent company, Virgin Holdings Limited, to enable the Virgin Group to invest in other businesses including Virgin Atlantic, Virgin Orbit and Virgin Voyages. Virgin Holdings Limited acts as the main treasury entity for the Virgin Group.

Virgin Enterprises Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

16 Related party transactions

At 31 December 2020, the Company's ultimate parent undertaking was Virgin Group Holdings Limited, whose sole shareholder is Sir Richard Branson. The shareholder of Virgin Group Holdings Limited has interests directly or indirectly in certain other companies which are considered to give rise to related party disclosures under International Accounting Standard 24: Related Party Disclosures.

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

	Royalty Revenue £000	Debtors £000	Accrued income £000
2020			
Vioco 10 Limited	126	-	29
Virgin Hotels LLC	356	86	81
Other related companies	4	-	1
	<u>486</u>	<u>86</u>	<u>111</u>
2019			
Vioco 10 Limited	131	23	11
Virgin Hotels LLC	402	5	117
Virgin Rail Group Holdings Limited	3,423	827	3
Other related companies	163	20	20
	<u>4,119</u>	<u>875</u>	<u>151</u>

17 Controlling party

At 31 December 2020, the Company's ultimate parent undertaking was Virgin Group Holdings Limited, a company incorporated in the British Virgin Islands.

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