

Registration number: 1568894

# Virgin Management Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2019

# Virgin Management Limited

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# Virgin Management Limited

## Strategic Report for the Year Ended 31 December 2019

Virgin Management Limited (the "Company") is principally engaged in providing management services to its subsidiaries and other affiliated companies.

### Business review

#### Summary financial performance and key performance indicators

For the year ended 31 December 2019, Virgin Management Limited recorded a profit before tax of £60.5m (2018: £113.5m). The decrease in profit before tax is largely driven by the decrease in other operating income.

For the year ended 31 December 2019, turnover was £21.7m (2019: £25.2m). Turnover is dependent on the level of costs incurred in the provision of services to affiliated companies and decreased during the year ended 31 December 2019.

At 31 December 2019, the Company had net assets of £1,296.3m (2018: £1,424.0m), a decrease of 9.0%.

#### Development and performance of the business

The Company's underlying performance for the year in providing management services is consistent with that of the prior year, and no significant changes to the business are currently expected for the foreseeable future. Year on year, fluctuations in the Company's overall results are largely driven by a number of one-off items mainly dividend income (refer to note 3 to the financial statements).

#### Principal risks and uncertainties

The Company provides services to its subsidiaries and other affiliated entities in the Virgin Group in line with contracts agreed between the relevant parties. There is a risk that the scope and nature of these contracts is changed as and when they are renewed, or that the level of services is adversely impacted by a reduction in these entities' business operations as a result of poor trading or economic downturn. In order to minimise these risks, there is a focus across all activities of the Company on cost control and efficient operation.

#### Impact of Covid-19

Covid-19 has not had a significant impact on the Company's principal activity of providing management services.

It is expected to impact the Company's dividend income and the carrying value of the Company's investments due to the impact on brand licensing revenues in the Company's indirect subsidiaries Virgin Enterprises Limited, Virgin Aviation TM Limited and VAL TM Limited. This impact is very difficult to quantify given the constantly evolving situation and unknown duration of current measures.

#### 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.

**Virgin Management Limited**

**Strategic Report for the Year Ended 31 December 2019**

Approved by the Board on 26 June 2020 and signed on its behalf by:



.....  
C R V Vile  
Company secretary  
The Battleship Building  
179 Harrow Road  
London  
W2 6NB

## Virgin Management Limited

### Directors' Report for the Year Ended 31 December 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

#### Results and dividends

The profit for the year, after taxation, amounted to £63.0m (2018: £113.5m).

During the year the company declared and settled dividends of £190.6m (2018: £nil)

#### Directors' of the company

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

I P Woods

R P Blok (alternate to I P Woods)

L Thomas

A Stirling

#### 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 26 June 2020 and signed on its behalf by:



.....  
C R V Vile  
Company secretary  
The Battleship Building  
179 Harrow Road  
London  
W2 6NB

## **Virgin Management Limited**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities 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 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 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 Company and to prevent and detect fraud and other irregularities.

## Virgin Management Limited

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

#### Opinion

We have audited the financial statements of Virgin Management Limited (the "Company") for the year ended 31 December 2019, which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 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").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model, including the impact of Brexit, and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

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 absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

## Virgin Management Limited

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

#### 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 4, 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.

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

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

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Virgin Management Limited**

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



Stephen Oxley (Senior Statutory Auditor)  
For and on behalf of KPMG LLP, Statutory Auditor

15 Canada Square  
London  
E14 5GL

26 June 2020

## Virgin Management Limited

### Profit and Loss Account and Other Comprehensive Income for the Year Ended 31 December 2019

	Note	2019 £ 000	2018 £ 000
Turnover	3	21,652	25,248
Administrative expenses		(30,025)	(28,518)
Other operating income	4	<u>69,043</u>	<u>116,871</u>
Operating profit	5	<u>60,670</u>	<u>113,601</u>
Interest receivable and similar income	9	202	102
Interest payable and similar expenses	10	<u>(407)</u>	<u>(174)</u>
		<u>(205)</u>	<u>(72)</u>
Profit before tax		60,465	113,529
Tax on profit	11	<u>2,500</u>	<u>-</u>
Profit for the year		<u><u>62,965</u></u>	<u><u>113,529</u></u>

There were no recognised gains and losses for 2019 and 2018 other than those included in the Profit and Loss Account

**Virgin Management Limited**  
**(Registration number: 1568894)**  
**Balance Sheet as at 31 December 2019**

	Note	31 December 2019 £ 000	31 December 2018 £ 000
<b>Fixed assets</b>			
Tangible assets	12	1,205	1,174
Investments	23	1,284,167	1,284,167
Right of use assets	13	4,065	-
		<u>1,289,437</u>	<u>1,285,341</u>
<b>Current assets</b>			
Debtors	14	27,154	152,450
Cash at bank and in hand		9,086	7,578
		<u>36,240</u>	<u>160,028</u>
<b>Creditors: Amounts falling due within one year</b>	15	<u>(25,558)</u>	<u>(20,757)</u>
<b>Net current assets</b>		<u>10,682</u>	<u>139,271</u>
<b>Total assets less current liabilities</b>		1,300,119	1,424,612
<b>Creditors: Amounts falling due after more than one year</b>	15	(3,174)	-
<b>Provisions for liabilities</b>	16, 11	<u>(610)</u>	<u>(610)</u>
<b>Net assets</b>		<u>1,296,335</u>	<u>1,424,002</u>
<b>Capital and reserves</b>			
Called up share capital	17	627,742	627,742
Share premium reserve		209,388	209,388
Profit and loss account		<u>459,205</u>	<u>586,872</u>
Shareholders' funds		<u>1,296,335</u>	<u>1,424,002</u>

Approved by the Board on 26 June 2020 and signed on its behalf by:



.....  
I P Woods  
Director

## Virgin Management Limited

### Statement of Changes in Equity for the Year Ended 31 December 2019

	<b>Share capital £ 000</b>	<b>Share premium £ 000</b>	<b>Retained earnings £ 000</b>	<b>Total £ 000</b>
At 1 January 2019	627,742	209,388	586,872	1,424,002
Profit for the year	-	-	62,965	62,965
Total comprehensive income	-	-	62,965	62,965
Dividends	-	-	(190,632)	(190,632)
At 31 December 2019	<u>627,742</u>	<u>209,388</u>	<u>459,205</u>	<u>1,296,335</u>
	<b>Share capital £ 000</b>	<b>Share premium £ 000</b>	<b>Retained earnings £ 000</b>	<b>Total £ 000</b>
At 1 January 2018	627,742	209,388	473,343	1,310,473
Profit for the year	-	-	113,529	113,529
Total comprehensive income	-	-	113,529	113,529
At 31 December 2018	<u>627,742</u>	<u>209,388</u>	<u>586,872</u>	<u>1,424,002</u>

The notes on pages 11 to 33 form an integral part of these financial statements.

# Virgin Management Limited

## Notes to the Financial Statements for the Year Ended 31 December 2019

### 1 Accounting policies

#### Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 1.1 Basis of preparation

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

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ('Adopted IFRS'), 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.

#### 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, given the net asset position of the Company. 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 impact of the Covid-19 pandemic on the Company's dividend income due to the impact on brand licensing revenues in the Company's subsidiaries where licensee businesses have been required to suspend operations as a result of necessary decisions taken by governments in multiple jurisdictions. In particular, the Directors have considered:

Royalties in subsidiaries: Royalty deferrals, recoverability of royalties receivable from licensees and reduced royalty revenue due to the impact of government restrictions and reduced consumer demand.

Liquidity: Access to undrawn credit facilities, recoverability of intercompany debtors due to wider Virgin group impacts, and access to other sources of liquidity.

#### 1.3 Valuation of investments

Investment in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted company shares, which have been classified as fair value through other comprehensive income ("FVTOCI") are measured to fair value at each balance sheet date. Gains and losses in remeasurement are recognised in comprehensive income for the period.

#### 1.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

## Virgin Management Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 1.5 Depreciation

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

<b>Asset class</b>	<b>Depreciation method and rate</b>
Leasehold improvements	10 - 15 % per annum
Furniture and fittings	13 - 25 % per annum
IT equipment and software	25% per annum

#### 1.6 Debtors

Short term debtors are measured at transaction price less any impairment. Loans and receivables are measured initially at fair value, net of transaction cost, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

#### 1.7 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

#### 1.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

#### 1.9 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.

## Virgin Management Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### ***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.

#### **1.10 Foreign currency**

The Company's functional and presentational currency is pound sterling.

Transactions in foreign currencies are translated into the Company's functional currency 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. 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 exchange differences arising on translation are recognised in the profit and loss account.

# Virgin Management Limited

## Notes to the Financial Statements for the Year Ended 31 December 2019

### 1.11 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than stocks and 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"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash generating units ("CGU"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

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. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed if and only if the reasons for the impairment have ceased to apply.

In respect of other assets, 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.

### 1.12 Dividend income

Dividend income is recognised in other operating income on the date the Company's right to receive payments is established.

### 1.13 Employee Benefits

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.



# Virgin Management Limited

## Notes to the Financial Statements for the Year Ended 31 December 2019

### 1.14 Provisions for liabilities

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

Provisions are charged as an expense to the profit and loss account 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 in the balance sheet.

### 1.15 Finance income and costs policy

Interest receivable and interest payable

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.

### 1.16 Current and deferred taxation

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

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 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 or that the Company has determined it is appropriate to recognise the deferred tax asset as it is recoverable due to the fact that the Company is part of a UK group for group relief purposes.

## Virgin Management Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 1.17 Turnover

The Company's turnover comprises of fees receivable under contracts to provide management services. It is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Turnover 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.

#### 1.18 Changes resulting from adoption of IFRS 16

IFRS 16 Leases became mandatorily effective on 1 January 2019. The company has applied this for the first time in this accounting period which resulted in changes to the accounting policies.

The company transitioned to IFRS 16 using the modified retrospective approach and as a result the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. The prior period figures were not adjusted.

On adoption of IFRS 16, the company elected to apply the relief provisions available and has not reviewed contracts under the definition of a lease per IFRS 16, which had previously not been classified as leases under the principles of IAS 17. Therefore, only contracts entered into or modified on or after 1 January 2019 have the definition of a lease per IFRS 16 applied.

In addition, the company decided to apply recognition exemptions to leases with a term not exceeding 12 months and leases where the underlying assets are of low value.

For leases classified as operating leases under IAS 17, these lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The company has used the following practical expedients permitted by IFRS 16 when applying this for the first time to leases previously classified as operating leases:

- Applied a single discount rate to a portfolio of leases with similar characteristics
- Applied the exemption not to recognise liabilities for leases with less than 12 months of lease term remaining
- Excluded initial direct costs for the measurement of right-to-use assets at the date of initial application
- Used hindsight in determining the lease term where the contracts contains options to extend or terminate the lease

Right-of-use assets are measured at an amount equal to the lease liability, adjusted for any prepaid or accrued lease payments.

No adjustments are required on transition to IFRS 16 for leases where the company acts as a lessor, except for a sub-lease. A reassessment of the classification of a sub-lease is required under IFRS 16.

## Virgin Management Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

The company recognised lease liabilities in relation to leases that were classified as ‘operating leases’ under the principles of IAS 17 - Leases. On transition, an additional £5,016m (2018 - £Nil) of right-to-use assets and £5,016m (2018 - £Nil) of lease liabilities were recognised with the difference allocated to retained earnings.

	<b>As originally reported 31 December 2018 £ 000</b>
<b>Note</b>	<b>£ 000</b>
Operating lease commitments at 31 December 2018	3,189
Operating lease commitments discounted at the incremental borrowing rate	3,056
Adjustments resulting from rent review agreed during 2019	390
Adjustments resulting from the different treatment of termination options	1,570
Lease liabilities recognised at 1 January 2019	5,016

These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of 1 January 2019. The weighted average rate applied was 1.85%.

#### 2 Subsequent events

The Covid-19 outbreak developed rapidly in 2020. To date, the business has not suffered any material impact to its principal activity of providing management services from the actions taken by the government in response to Covid-19.

Covid-19 is expected to impact the Company's dividend income and the carrying value of the Company's investments due to the impact on brand licensing revenues of the Company's subsidiaries. It is not possible to estimate reliably this impact due to the current uncertainties which exist around consumer demand; access to government support; the recovery of the global economy; and the duration of government imposed restrictions which impact licensee businesses.

#### 3 Turnover

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

	<b>2019 £ 000</b>	<b>2018 £ 000</b>
Rendering of services	21,652	25,248
	<b>2019 £000</b>	<b>2018 £000</b>
United Kingdom	11,151	11,998
Rest of the world	10,501	13,250
	21,652	25,248

## Virgin Management Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 4 Other operating income

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

	<b>2019</b>	<b>2018</b>
	<b>£ 000</b>	<b>£ 000</b>
Other operating income	69,043	116,871

On 28 March 2019, the Company received a dividend from its subsidiary VEL Holdings Limited of £2.2m. On 13 June 2019, the Company received a dividend from its subsidiary VEL Holdings Limited of £1.6m. On 17 December 2019 the Company received a dividend from its subsidiary VEL Holdings Limited of £65.2m.

#### 5 Operating profit

Arrived at after charging/(crediting)

	<b>2019</b>	<b>2018</b>
	<b>£ 000</b>	<b>£ 000</b>
Depreciation expense	396	321
Foreign exchange gains	34	10
Operating lease expense - property	43	1,326
Provision Costs	-	(76)
Bad Debts Provision - Specific	26	109
Depreciation - Right of Use Asset	764	-

#### 6 Auditors' remuneration

	<b>2019</b>	<b>2018</b>
	<b>£ 000</b>	<b>£ 000</b>
Audit of the financial statements	19	19
	19	19

#### 7 Staff costs

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

	<b>2019</b>	<b>2018</b>
	<b>£ 000</b>	<b>£ 000</b>
Wages and salaries	20,178	16,174
Social security costs	1,754	3,028
Pension costs, defined contribution scheme	973	1,218
	22,905	20,420

Wages and salaries include £6.4million (2018: £nil) in relation to write down of employee loans.

## Virgin Management Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

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

	<b>2019</b>	<b>2018</b>
	<b>No.</b>	<b>No.</b>
Administration and support	<u>103</u>	<u>110</u>

#### 8 Directors' remuneration

	<b>2019</b>	<b>2018</b>
	<b>£ 000</b>	<b>£ 000</b>
Directors' emoluments	961	1,438
Company contributions to defined contribution pension schemes	<u>37</u>	<u>32</u>
	<u>998</u>	<u>1,470</u>

During the year retirement benefits were accruing to 3 directors (2018: 3) in respect of defined contribution or SIPP schemes.

In respect of the highest paid director:

	<b>2019</b>	<b>2018</b>
	<b>£ 000</b>	<b>£ 000</b>
Remuneration	400	700

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £0.02m (2018: £0.02m).

Remuneration for certain directors is recharged to the ultimate parent company in respect of services provided to that company.

#### 9 Interest receivable and similar income

	<b>2019</b>	<b>2018</b>
	<b>£ 000</b>	<b>£ 000</b>
Interest income on available-for-sale financial assets	<u>202</u>	<u>102</u>
	<u>202</u>	<u>102</u>

## Virgin Management Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 10 Interest payable and similar expenses

	<b>2019</b>	<b>2018</b>
	<b>£ 000</b>	<b>£ 000</b>
Interest expense on other financing liabilities	311	136
Foreign exchange (gains) / losses	3	38
Interest expense on leases	93	-
	407	174

#### 11 Income tax

Tax charged/(credited) in the profit and loss account and other comprehensive income

	<b>2019</b>	<b>2018</b>
	<b>£ 000</b>	<b>£ 000</b>
<b>Current taxation</b>		
UK corporation tax	(1,535)	-
UK corporation tax adjustment to prior periods	(199)	-
	(1,734)	-
<b>Deferred taxation</b>		
Arising from origination and reversal of temporary differences	352	-
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	(1,118)	-
	(766)	-
Total deferred taxation	(766)	-
Tax receipt in the profit and loss account and other comprehensive income	(2,500)	-
	(2,500)	-

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2018 - the same as the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:

	<b>2019</b>	<b>2018</b>
	<b>£ 000</b>	<b>£ 000</b>
Profit before tax	60,465	113,529
Corporation tax at standard rate	11,488	21,570
Decrease in current tax from adjustment for prior periods	(1,316)	-
Decrease from effect of revenues exempt from taxation	(13,119)	(22,205)
Increase from effect of expenses not deductible in determining taxable profit (tax loss)	488	651
Impact of changes in statutory tax rates	(41)	-
Decrease from tax losses for which no deferred tax asset was recognised	-	113
Other tax effects for reconciliation between accounting profit and tax income	-	(129)
	(2,500)	-
Total tax credit	(2,500)	-

## Virgin Management Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### Deferred tax

The Company has recognised deferred tax assets of £0.8m at 31 December 2019 (2018: £nil)

The company has not recognised a deferred tax asset in respect of gross unused tax losses of £22.2m (2018: 19.2m)

#### 12 Tangible fixed assets

	Land and buildings £ 000	Furniture, fittings and equipment £ 000	Other property, plant and equipment £ 000	Total £ 000
<b>Cost or valuation</b>				
At 1 January 2019	2,222	359	1,318	3,899
Additions	3	162	279	444
Disposals	-	(51)	(76)	(127)
At 31 December 2019	<u>2,225</u>	<u>470</u>	<u>1,521</u>	<u>4,216</u>
<b>Depreciation</b>				
At 1 January 2019	1,228	304	1,193	2,725
Charge for the year	232	35	129	396
Eliminated on disposal	-	(45)	(65)	(110)
At 31 December 2019	<u>1,460</u>	<u>294</u>	<u>1,257</u>	<u>3,011</u>
<b>Carrying amount</b>				
At 31 December 2019	<u>765</u>	<u>176</u>	<u>264</u>	<u>1,205</u>
At 31 December 2018	<u>994</u>	<u>55</u>	<u>125</u>	<u>1,174</u>

#### 13 Right of use assets

	Property £ 000	Total £ 000
<b>Cost or valuation</b>		
At 1 January 2019	5,016	5,016
Additions	2,392	2,392
Disposals	(2,579)	(2,579)
As at 31 December 2019	<u>4,829</u>	<u>4,829</u>
<b>Depreciation</b>		
Charge for the year	764	764
At 31 December 2019	<u>764</u>	<u>764</u>
<b>Carrying amount</b>		
At 31 December 2019	<u>4,065</u>	<u>4,065</u>

## Virgin Management Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 14 Trade and other debtors

	<b>31 December 2019 £ 000</b>	<b>31 December 2018 £ 000</b>
Trade debtors	2,064	444
Debtors from related parties	23,155	149,317
Deferred taxation	766	-
Prepayments and contract assets	933	748
Other debtors	58	1,941
Taxation and social security	178	-
	27,154	152,450

#### 15 Trade and other creditors

	<b>31 December 2019 £ 000</b>	<b>31 December 2018 £ 000</b>
Trade creditors	883	568
Accrued expenses and contract liabilities	4,168	3,961
Amounts due to group related undertakings	17,572	4,986
Other creditors	2,935	7,479
Taxation and social security	-	3,763
	25,558	20,757

#### 16 Other provisions

	<b>Other provisions £ 000</b>
At 1 January 2019	610
Provisions used	-
At 31 December 2019	610

#### Dilapidations provision

Leasehold dilapidations represent provisions held relating to leased land and buildings where restoration costs are contractually required at the end of the lease. Where such costs arise as a result of capital expenditure on the leased asset, the restoration costs are also capitalised.



## Virgin Management Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 17 Share capital

##### Allotted, called up and fully paid shares

	31 December 2019		31 December 2018	
	No. 000	£ 000	No. 000	£ 000
Ordinary Shares of £0.10 each	6,277,420	627,742.00	6,277,420	627,742.00

#### 18 Contingent liabilities

The Company is party to a group cash pooling and overdraft facility of £50m (2018: £50m) of which £nil (2018: £11m) was drawn down at year end, all of which is repayable on demand.

#### 19 Pension and other schemes

##### Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £972,855 (2018 - £1,218,379).

#### 20 Related party transactions

At 31 December 2019, 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.

	Turnover £000	Expenses £000	Debtors £000	Creditors £000
<b>2019</b>				
Vieco 10 Limited	169	-	60	-
Virgin Atlantic Limited	25	23	32	-
Virgin Healthcare Holdings Limited	13	-	1	-
Virgin Hotels LLC	-	-	1	-
Virgin Rail Group Holdings Limited	-	-	149	-
Virgin Red Limited	-	-	133	-
	207	23	376	-

## Virgin Management Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

	Turnover £000	Expenses £000	Debtors £000	Creditors £000
<b>2018</b>				
Vieco 10 Limited	168	-	97	-
Virgin Atlantic Limited	22	(69)	128	-
Virgin Healthcare Holdings Limited	16	-	54	-
Virgin Hotels LLC	1	-	128	-
Virgin Rail Group Holdings Limited	237	-	7	-
VAL TM (Holdings) Limited	-	-	2	-
VAL TM Limited	-	-	6	-
	<u>444</u>	<u>(69)</u>	<u>422</u>	<u>-</u>

#### 21 Controlling party

At 31 December 2019, 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.

#### 22 Critical accounting judgements and key sources of estimation uncertainty

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

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

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 financial statements.

##### *Fair value measurements and valuation process*

Some of the Company's assets are measured at fair value for financial reporting purposes. The Company has determined the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset, the Company uses market-observable data to the extent it is available.

## Virgin Management Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### 23 Investments

	Shares in group £000	Other investments £000	Total £000
<b>Cost or valuation</b>			
At 1 January 2019	1,295,443	866	1,296,309
Additions	400	-	400
Disposals	(128)	-	(128)
	1,295,715	866	1,296,581
<b>Impairment</b>			
At 1 January 2019	11,276	866	12,142
Charge for the year	400	-	400
Eliminated on disposals	(128)	-	(128)
	11,548	866	12,414
<b>Net book value</b>			
At 31 December 2019	1,284,167	-	1,284,167
At 31 December 2018	1,284,167	-	1,284,167

## Virgin Management Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

Details of the subsidiaries as at 31 December 2019 are as follows:

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2019	2018
Virgin Entertainment Holdings Inc		Corporation Services, 251 Little Falls Drive, Wilmington, DE 19808, United States USA	Ordinary	100%	100%
VHP Holdings, LP*		Corporation Services, 251 Little Falls Drive, Wilmington, DE 19808, United States USA	Class A units	98.1%	98.1%
Virgin Eden LLC*	Summit House,	Corporation Services, 251 Little Falls Drive, Wilmington, DE 19808, United States USA	Membership interest	100%	100%
VHRE Vegas, LLC*	Las	Corporation Services, 251 Little Falls Drive, Wilmington, DE 19808, United States USA	Membership Interest	100%	100%
Village Development LLC*		Corporation Services, 251 Little Falls Drive, Wilmington, DE 19808, United States	Membership interest	100%	100%
V3L Inc*	Nashville	Corporation Services, 251 Little Falls Drive, Wilmington, DE 19808, United States USA	Membership interest	100%	100%
VHRE Orleans LLC*	New	Corporation Services, 251 Little Falls Drive, Wilmington, DE 19808, United States	Membership interest	100%	100%
Virgin Holdings, LLC*	Hotels	Corporation Services, 251 Little Falls Drive, Wilmington, DE 19808, United States USA	Class A units	96.4%	96.4%

## Virgin Management Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2019	2018
Virgin Hotels, LLC*		Incorp Services, Inc., 919 North Market Street, Suite 950, Wilmington, New Castle, DE 19801, United States  USA	Membership interest	99.5%	95.8%
Virgin North America, LLC*	Hotels	Incorp Services, 919 North Market Street, Suite 950, Wilmington, New Castle, DE 19801, United States  USA	Membership interest	86.3%	87.7%
Virgin Dallas LLC*	Hotels	Incorp Services, 919 North Market Street, Suite 950, Wilmington, New Castle, DE 19801, United States  USA	Membership interest	86.3%	87.7%
Virgin San Francisco LLC*	Hotels	Incorp Services, 919 North Market Street, Suite 950, Wilmington, New Castle, DE 19801, United States  USA	Membership interest	86.3%	87.7%
VH San Fran, LLC*		Incorp Services, Inc., 5716 Corsa Avenue, Suite 110, Westlake Village, CA 91362-7354, United States USA	Membership interest	86.3%	87.7%
Virgin New York LLC*	Hotels	Incorp Services, Inc., 919 North Market Street, Suite 950, Wilmington, New Castle, DE 19801, United States  USA	Membership interest	86.3%	87.7%
Virgin Nashville, LLC*	Hotels	Incorp Services, 919 North Market Street, Suite 950, Wilmington, New Castle, DE 19801, United States  USA	Membership interest	86.3%	87.7%

## Virgin Management Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2019	2018
Virgin New Orleans, LLC*	Hotels	Incorp Services, 919 North Market Street, Suite 950, Wilmington, New Castle, DE 19801, United States  USA	Membership interest	86.3%	87.7%
Virgin Silicon Valley, LLC*	Hotels	Incorp Services, 919 North Market Street, Suite 950, Wilmington, New Castle, DE 19801, United States  USA	Membership interest	86.3%	87.7%
Virgin Edinburgh, LLC*	Hotels	Incorp Services, 919 North Market Street, Suite 950, Wilmington, New Castle, DE 19801, United States  USA	Membership interest	86.3%	87.7%
Virgin Chicago LLC*	Hotels	Incorp Services, 919 North Market Street, Suite 950, Wilmington, New Castle, DE 19801, United States  USA	Membership interest	86.3%	87.7%
VHC LLC*	Upper,	Incorp Services, Inc., 901 S 2nd Street, Suite 201, Springfield, IL 62704  USA	Membership interest	86.3%	87.7%
VHC LLC*	Middle	Incorp Services, Inc., 901 S 2nd Street, Suite 201, Springfield, IL 62704  USA	Membership interest	86.3%	87.7%
VHC LLC*	Lower	Incorp Services, Inc., 901 S 2nd Street, Suite 201, Springfield, IL 62704  USA	Membership interest	86.3%	87.7%
Virgin Palm Springs, LLC*	Hotels	Incorp Services, 919 North Market Street, Suite 950, Wilmington, New Castle, DE 19801, United States  USA	Membership interest	86.3%	87.7%

## Virgin Management Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2019	2018
Virgin Hotels Miami Bricknell, LLC*		Incorp Services, Inc., 919 North Market Street, Suite 950, Wilmington, New Castle, DE 19801, United States  USA	Membership interest	86.3%	87.7%
Virgin Hotels Las Vegas, LLC*		Incorp Services, Inc., 919 North Market Street, Suite 950, Wilmington, New Castle, DE 19801, United States USA	Membership interest	86.3%	87.7%
Virgin Start Up Limited		The Battleship Building, 179 Harrow Road, London W2 6NB, United Kingdom  England & Wales	Ordinary	100%	100%
VEL Holdings Limited		The Battleship Building, 179 Harrow Road, London W2 6NB, United Kingdom  England & Wales	Ordinary	100%	100%
Virgin Enterprises Limited*		The Battleship Building, 179 Harrow Road, London W2 6NB, United Kingdom  England & Wales	Ordinary	100%	100%
Virgin Aviation TM Holdings Limited*		The Battleship Building, 179 Harrow Road, London W2 6NB, United Kingdom  England & Wales	Ordinary	100%	100%
Virgin Aviation TM Limited*		The Battleship Building, 179 Harrow Road, London W2 6NB, United Kingdom  England & Wales	Ordinary	100%	100%
VAL Trademark Two Limited*		The Battleship Building, 179 Harrow Road, London W2 6NB, United Kingdom  England & Wales	Ordinary	100%	100%

## Virgin Management Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2019	2018
VAL Trademark Three Limited*		The Battleship Building, 179 Harrow Road, London W2 6NB, United Kingdom  England & Wales	Ordinary	100%	100%
VAL (Holdings) Limited* TM		The Battleship Building, 179 Harrow Road, London W2 6NB, United Kingdom  England & Wales	Ordinary	51%	51%
VAL Limited* TM		The Battleship Building, 179 Harrow Road, London W2 6NB, United Kingdom  England & Wales	Ordinary	51%	51%
Virgin Management Asia Pacific Pty Limited		Virgin Active Health Clubs, Level 5, East Village, 2A Defries Avenue, Zetland NSW 2017  Australia	Ordinary	100%	100%
Virgin Nominees Pty Limited* Unite Pty		Virgin Active Health Clubs, East Village Level 5, 2A Defries Avenue, Zetland NSW 2017  Australia	Ordinary	100%	100%
Virgin Trustee Services Limited		The Battleship Building, 179 Harrow Road, London W2 6NB, United Kingdom  England & Wales	Ordinary	100%	100%
Virgin Limited		The Battleship Building, 179 Harrow Road, London W2 6NB, United Kingdom  England & Wales	Ordinary	100%	100%



## Virgin Management Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2019	2018
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	Ordinary	100%	100%
VHD Concessions Holdings, LLC *		Incorp Services, Inc., 919 North Market Street, Suite 950, Wilmington, New Castle, DE 19801, United States USA	Membership interest	86.3%	0%
VHD Concessions Middle, LLC *		Incorp Services, Inc., 919 North Market Street, Suite 950, Wilmington, New Castle, DE 19801, United States USA	Membership interest	86.3%	0%
VH Dallas Concessions, LLC *		Incorp Services, Inc., 919 North Market Street, Suite 950, Wilmington, New Castle, DE 19801, United States USA	Membership interest	86.3%	0%
Virgin Hotels Central Services, LLC*		Incorp Services, Inc., 919 North Market Street, Suite 950, Wilmington, New Castle, DE 19801, United States USA	Membership interest	86.3%	0%
Baronne Street Hotel Sponsor Parent LLC*		Robert E Buccini, 1000 N West Street Suite 900, Wilmington DE 19801, United States USA	Ordinary	69.2%	0%
Baronne Street Hotel Sponsor LLC*		Robert E Buccini, 1000 N West Street Suite 900, Wilmington DE 19801, United States USA	Ordinary	69.2%	0%

\*Indirectly held investment

#### Joint ventures

Details of the joint ventures as at 31 December 2019 are as follows:

## Virgin Management Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

Name of joint ventures	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2019	2018
VH Properties LLLP *		Corporation Trust Center, 1209 Orange St, Wilmington. New Castle, United States  USA	35%	35%
VHB Properties LLC *		Corporation Trust Center, 1209 Orange St, Wilmington. New Castle, United States  USA	35%	34.3%
VH NA Acquisitions LP *		Corporation Services, 251 Little Falls Drive, Wilmington, DE 19808, United States  USA	31.5%	30.9%
VHNA Acquisition, LLC *		Corporation Services, 251 Little Falls Drive, Wilmington, DE 19808, United States  USA	35%	30.9%
Nashville Music Row Hotel JV LLC*		Robert E Buccini, 322 A Street, Suite 300, Wilmington DE 19801, United States  USA	50%	50%
Nashville Music Row Hotel Holdings LLC *		Robert E Buccini, 322 A Street, Suite 300, Wilmington DE 19801, United States  USA	50%	50%
Nashville Music Row Hotel Mezz LLC *		Robert E Buccini, 322 A Street, Suite 300, Wilmington DE 19801, United States  USA	50%	50%
Nashville Music Row Hotel Owner LLC *		Robert E Buccini, 322 A Street, Suite 300, Wilmington DE 19801, United States  USA	50%	50%

## Virgin Management Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

Name of joint ventures	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2019	2018
Streetubez, LLC		140 Avenida Del Reposo, San Clemente, CA 92672, United States  USA	20%	20%

\*Indirectly held investment