

Virgin Voyager Limited

Directors' Report and Financial Statements

Registered number 2857673

31 March 2012

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Directors' Report

The directors present their report and the financial statements for the year ended 31 March 2012

Principal activities

The principal activity of the Company is that of an investment holding company

Business review

The Company has financial resources available to it, and as an investment holding company whose transactions all arise with fellow group undertakings, no significant changes are expected in relation to its income streams or cost base at this present time. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

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.

Results and dividends

The profit for the financial year, amounted to £12,000 (2011 £1,507,000)

The directors do not recommend the payment of a dividend (2011 £nil)

Directors

The directors who served during the year were

G D McCallum (resigned 7 March 2012)

I P Woods

C R Stent (appointed 7 March 2012)

Provision of information to auditor


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

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

This report was approved by the board on 3 December 2012 and signed on its behalf



B A R Gerrard
Company Secretary
The School House
50 Brook Green
Hammersmith
London
W6 7RR

Directors' Responsibilities Statement
For the Year Ended 31 March 2012

The directors are responsible for preparing 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the 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 then apply them consistently,
- make judgments and 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

We have audited the financial statements of Virgin Voyager Limited for the year ended 31 March 2012, set out on pages 4 to 10. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of directors' responsibilities on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 March 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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



Sarah Styant (Senior statutory auditor)
for and on behalf of

KPMG LLP
Chartered Accountants
Statutory Auditor
15 Canada Square
London
E14 5GL

4 December 2012

Profit and Loss Account
For the Year Ended 31 March 2012

	<i>Note</i>	2012 £000	2011 £000
Administrative expenses		<u>4</u>	<u>(4)</u>
Operating profit/(loss)		<u>4</u>	<u>(4)</u>
Profit/(loss) on ordinary activities before taxation		4	(4)
Tax on profit/(loss) on ordinary activities	4	<u>8</u>	<u>1,511</u>
Profit for the financial year		<u><u>12</u></u>	<u><u>1,507</u></u>

All amounts relate to continuing operations

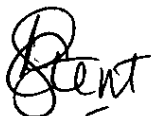
There were no recognised gains and losses for 2012 or 2011 other than those included in the profit and loss account

The notes on pages 6 to 10 form part of these financial statements

Balance Sheet
As at 31 March 2012

	<i>Note</i>	£000	2012 £000	£000	2011 £000
Fixed assets					
Investments	5		192,023		192,023
Current assets					
Debtors	6	1,520		1,512	
Creditors: amounts falling due within one year	7	(77,167)		(77,171)	
Net current liabilities			(75,647)		(75,659)
Net assets			116,376		116,364
Capital and reserves					
Called up share capital	8		32,860		32,860
Share premium account	9		101,218		101,218
Merger reserve	9		26,062		26,062
Profit and loss account	9		(43,764)		(43,776)
Shareholders' funds	10		116,376		116,364

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 3 December 2012



C R Stent
Director

The notes on pages 6 to 10 form part of these financial statements

Notes to the Financial Statements

1. Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements except as noted below

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

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.

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

As the Company is a wholly owned subsidiary of Virgin Group Holdings Limited, the Company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group.

1.2 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.3 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

2. Operating Loss

Audit fees for the current and prior year were borne by another group company.

3. Directors' remuneration

The directors did not receive any remuneration during the year for services to the Company (2011: £nil).

Notes to the Financial Statements

4. Taxation

	2012 £000	2011 £000
Adjustments in respect of prior periods	(8)	(1,511)
Tax on profit/loss on ordinary activities	(8)	(1,511)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2011 - lower than) the standard rate of corporation tax in the UK of 26% (2011 - 28%). The differences are explained below

	2012 £000	2011 £000
Profit/loss on ordinary activities before tax	4	(4)
Profit/loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2011 - 28%)	1	(1)
Effects of:		
Utilisation of tax losses	(1)	-
Adjustments to tax charge in respect of prior periods	(8)	(1,511)
Unrelieved tax losses carried forward	-	1
Current tax credit for the year	(8)	(1,511)

Factors that may affect future tax charges

Details of the Company's total recognised and unrecognised deferred tax assets at the year end (and prior year end) are shown in the table in the balance sheet note below

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted

A reduction of the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and a further 1% reduction to 24% (a revised rate effective from 1 April 2012) was substantially enacted on 26 March 2012. A rate of 24% has been used within the deferred tax calculations within these financial statements

Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 22% by 1 April 2014. None of these expected rate reductions had been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements

Notes to the Financial Statements

4 Taxation (continued)

	2012 Recognised £000	2012 Unrecognised £000	2011 Recognised £000	2011 Unrecognised £000
UK tax losses	-	(4,281)	-	(4,646)

5. Fixed asset investments

	<i>Investments in subsidiary companies £000</i>
Cost or valuation	
At 1 April 2011 and 31 March 2012	192,023
Net book value	
At 31 March 2012	192,023
At 31 March 2011	192,023

On 26 March 2012, Virgin Models Limited, another group undertaking issued one £0 10 ordinary share (including share premium of £0 90 per share) to the Company in consideration for the repayment of an intercompany debt

The companies in which the Company's interest at 31 March 2012 is more than 20% are as follows

	Country of registration	Principal activity	Holding	Class of shares
Subsidiary undertakings				
Virgin Models Limited	England & Wales	Investment holding company	100%	Ordinary 10p shares

6. Debtors

	2012 £000	2011 £000
Amounts owed by group undertakings	1,520	1,512

7. Creditors: Amounts falling due within one year

	2012 £000	2011 £000
Amounts owed to group undertakings	77,167	77,167
Accruals and deferred income	-	4
	77,167	77,171

Notes to the Financial Statements

8. Share capital

	2012 £000	2011 £000
Allotted, called up and fully paid		
22,124,881 (2011 - 22,124,880) A ordinary shares of £0 10 each	2,212	2,212
4,720,037,880 ordinary shares of \$0 01 each	30,648	30,648
	<u>32,860</u>	<u>32,860</u>

9. Reserves

	<i>Share premium account</i> £000	<i>Merger reserve</i> £000	<i>Profit and loss account</i> £000
At 1 April 2011	101,218	26,062	(43,776)
Profit for the year	-	-	12
At 31 March 2012	<u>101,218</u>	<u>26,062</u>	<u>(43,764)</u>

On 26 March 2012, the Company issued one ordinary share of £0 10 (including share premium of £0 90 per share) to Barfair Limited, another group undertaking, in consideration for a repayment of intercompany debt (also see note 10)

10. Reconciliation of movement in shareholders' funds

	2012 £000	2011 £000
Opening shareholders' funds	116,364	114,857
Profit for the year	12	1,507
Closing shareholders' funds	<u>116,376</u>	<u>116,364</u>

On 26 March 2012, the Company issued one ordinary share of £0 10 (including share premium of £0 90 per share) to Barfair Limited, another group undertaking, in consideration for a repayment of intercompany debt (also see note 9)

11. Related party transactions

At 31 March 2012, the Company's ultimate parent undertaking was Virgin Group Holdings Limited, whose principal shareholders are Sir Richard Branson and certain trusts, none of which individually has a controlling interest in Virgin Group Holdings Limited. The principal beneficiaries of those trusts are Sir Richard Branson and/or his immediate family. The shareholders of Virgin Group Holdings Limited have interests directly or indirectly in certain other companies which are considered to give rise to related party disclosures under Financial Reporting Standard No 8.

As a 100% owned subsidiary of Virgin Group Holdings Limited, the Company has taken advantage of the exemption under Financial Reporting Standard 8 Related Party Disclosures, which enables it to exclude disclosure of transactions with Virgin Group Holdings Limited and its wholly owned subsidiaries.

Notes to the Financial Statements

12. Ultimate parent undertaking and controlling party

As at 31 March 2012, the Company is a subsidiary undertaking of Virgin Group Holdings Limited, a company incorporated in the British Virgin Islands

The largest and smallest group in which the Company's results are consolidated are those for Virgin Wings Limited and Virgin Holdings Limited respectively, companies which are registered in England and Wales. Copies of the group accounts for Virgin Wings Limited and Virgin Holdings Limited can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ