

The Virgin Trading Group Limited

Directors' report and financial statements

Registered number 3389772

31 December 2014



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Directors' report

The directors present their report and the financial statements for the year ended 31 December 2014. The previous financial statements were for the 9 month period ended 31 December 2013.

Principal activities

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

Business review

The Company has net liabilities. However, as detailed in note 1 to the financial statements a parent undertaking, Virgin Holdings Limited, has formally indicated that it is its present intention to provide sufficient funding to the Company to enable it to meet its liabilities as they fall due, for at least the next twelve months. The director has no reason to believe that the parent company will not be in a position to provide this support. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Results and dividends

The profit for the year, after taxation, amounted to £34,000 (Period ended 31 December 2013 - £7,000).

The directors do not recommend the payment of a dividend (Period ended 31 December 2013: £nil)

Directors

The directors who served during the year were:

N A R Fox
R P Blok
I P Woods

Provision of information to auditor

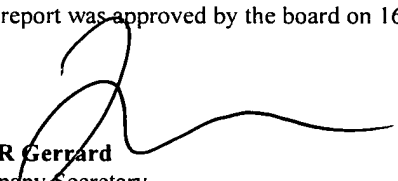
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- 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 16 June 2015 and signed on its behalf.



B A R Gerrard
Company Secretary
The Battleship Building
179 Harrow Road
London
W2 6NB

Directors' responsibilities statement
for the year ended 31 December 2014

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 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 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;
- 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 The Virgin Trading Group Limited

We have audited the financial statements of The Virgin Trading Group Limited for the year ended 31 December 2014, set out on pages 4 to 11. 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 director's 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 December 2014 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.

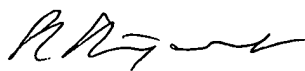
Opinion on other matter prescribed by the Companies Act 2006

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.
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



Sarah Styant (Senior Statutory Auditor)
for and on behalf of **KPMG LLP**, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

18 June 2015

Profit and loss account
for the year ended 31 December 2014

		12 months ended 31 December 2014 £000	9 months ended 31 December 2013 £000
	<i>Note</i>		
Cost of sales		-	(1)
Gross profit/(loss)		-	(1)
Administrative expenses		(2)	7
Operating (loss)/profit		(2)	6
Interest payable and similar charges	4	(9)	(7)
Loss on ordinary activities before taxation		(11)	(1)
Tax on loss on ordinary activities	5	45	8
Profit for the financial year	11	34	7

All amounts relate to continuing operations.

There were no recognised gains and losses for the current year or prior period other than those included in the profit and loss account.

The notes on pages 6 to 11 form part of these financial statements.

Balance sheet
as at 31 December 2014

	<i>Note</i>	£000	2014 £000	£000	2013 £000
Fixed assets					
Intangible assets	6		-		-
Investments	7		-		-
			<u>-</u>		<u>-</u>
Current assets					
Debtors	8	4		44	
Cash at bank		45		56	
		<u>49</u>		<u>100</u>	
Creditors: amounts falling due within one year	9	(7,315)		(7,400)	
Net current liabilities			(7,266)		(7,300)
Net liabilities			(7,266)		(7,300)
Capital and reserves					
Called up share capital	10		3		3
Share premium account	11		131,011		131,011
Profit and loss account	11		<u>(138,280)</u>		<u>(138,314)</u>
Shareholders' deficit	12		(7,266)		(7,300)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 June 2015.



I P Woods
Director

The notes on pages 6 to 11 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.

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 financial statements have been prepared on a going concern basis in view of the fact that the parent undertaking Virgin Holdings Limited has formally indicated that it is its present intention to provide sufficient funding to the Company, to enable it to meet its liabilities as they fall due, for at least the next twelve months.

The directors have no reason to believe that the parent company will not be in a position to provide the support referred to above and, accordingly, they have prepared the financial statements on a going concern basis.

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 FRS1 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 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 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life.

1.3 Investments

Investments in subsidiaries are shown at cost less provision for impairment.

1.4 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.

Notes to the financial statements

1. Accounting policies (continued)

1.5 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

2. Auditors' remuneration

The audit fees for the current year and prior period were borne by another group undertaking.

3. Directors' remuneration

The directors did not receive any remuneration during the year for services to the Company (Period ended 31 December 2013: £nil).

4. Interest payable and similar charges

	<i>12 months ended 31 December 2014 £000</i>	<i>9 months ended 31 December 2013 £000</i>
On loans from group undertakings	9	7

5. Taxation

	<i>12 months ended 31 December 2014 £000</i>	<i>9 months ended 31 December 2013 £000</i>
Adjustments in respect of prior periods	(45)	(8)
Tax on loss on ordinary activities	(45)	(8)

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

Notes to the financial statements

5. Taxation (continued)

Factors affecting tax charge for the year/period

The tax assessed for the year/period is lower than (Period ended 31 December 2013 - lower than) the standard rate of corporation tax in the UK of 21.5% (Period ended 31 December 2013 - 23%). The differences are explained below:

	12 months ended 31 December 2014 £000	9 months ended 31 December 2013 £000
Loss on ordinary activities before tax	(11)	(1)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (Period ended 31 December 2013 - 23%)	(2)	-
Effects of:		
Expenses not deductible for tax	1	1
UK tax losses not utilised or not recognised	1	-
Adjustments to tax charge in respect of prior periods	(45)	(8)
Group relief	-	(1)
Current tax credit for the year/period (see note above)	(45)	(8)

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 period end) are shown in the table 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 in the rate to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. A rate of 20% has been used within the deferred tax calculations within these financial statements.

	12 months ended 31 December 2014 Recognised £000	12 months ended 31 December 2014 Unrecognised £000	9 months ended 31 December 2013 Recognised £000	9 months ended 31 December 2013 Unrecognised £000
UK tax losses	-	(8)	-	(42)

Notes to the financial statements

6. Intangible fixed assets

	<i>Goodwill</i> £000
Cost	
At 1 January 2014 and 31 December 2014	372
Amortisation	
At 1 January 2014 and 31 December 2014	372
Net book value	
At 31 December 2014	-
At 31 December 2013	-

7. Fixed asset investments

	<i>Investments in subsidiary companies</i> £000
Cost or valuation	
At 1 January 2014 and 31 December 2014	137
Impairment	
At 1 January 2014 and 31 December 2014	137
Net book value	
At 31 December 2014	-
At 31 December 2013	-

The company in which the Company's interest at 31 December 2014 is more than 20% is as follows:

	Country of registration	Principal activity	Holding	Class of shares
<i>Subsidiary undertakings</i>				
The Virgin Drinks Group Limited	England and Wales	Non-trading company	100%	Ordinary £1 shares £1 0% Preference shares

Notes to the financial statements

8. Debtors

	2014 £000	2013 £000
Trade debtors	4	4
Amounts owed by group undertakings	-	40
	<u>4</u>	<u>44</u>

9. Creditors: Amounts falling due within one year

	2014 £000	2013 £000
Amounts owed to group undertakings	7,309	7,387
Other creditors	6	6
Accruals and deferred income	-	7
	<u>7,315</u>	<u>7,400</u>

10. Share capital

	2014 £000	2013 £000
Allotted, called up and fully paid		
16,470,654 'A' ordinary shares of £0.0001 each	-	2
8,235,326 'B' ordinary shares of £0.0001 each	-	1
24,705,980 ordinary shares of £0.0001 each	3	-
	<u>3</u>	<u>3</u>

On 12 March 2014, the Company redesignated its authorised share capital of 16,470,654 A ordinary shares and 8,235,326 B ordinary shares of £0.0001, into 24,705,980 ordinary shares of £0.0001.

11. Reserves

	<i>Share premium account</i> £000	<i>Profit and loss account</i> £000
At 1 January 2014	131,011	(138,314)
Profit for the year	-	34
At 31 December 2014	<u>131,011</u>	<u>(138,280)</u>

Notes to the financial statements

12. Reconciliation of movement in shareholders' deficit

	2014 £000	2013 £000
Opening shareholders' deficit	(7,300)	(7,307)
Profit for the financial year/period	34	7
Closing shareholders' deficit	<u>(7,266)</u>	<u>(7,300)</u>

13. Related party transactions

At 31 December 2014 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 members of 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 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.

14. Ultimate parent undertaking and controlling party

As at 31 December 2014 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 results of the Company are consolidated is those of Virgin UK Holdings Limited and Virgin Holdings Limited respectively, registered in England and Wales. The consolidated accounts of these groups can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.