

Virgin Entertainment Asia Limited

Directors' report and financial statements

Registered number 3389805

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

During the year, a group wide reorganisation took place. As part of this reorganisation, the Company made a bonus issue of one ordinary share of £0.0001 issued at a premium of £8,846,000. The Company also effected a reduction of its capital by cancelling 24,705,978 of its 24,705,979 shares then in issue.

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 year, after taxation, amounted to £451,000 (Period ended 31 December 2013 - £492,000).

On 10 December 2014, the Company paid a dividend of £22,559,155 (Period ended 31 December 2013 - £nil).

Directors

The directors who served during the year were:

R P Blok
N A R Fox
I P Woods

Provision of information to auditor

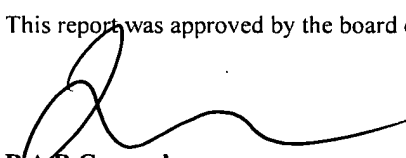
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor's 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's in connection with preparing its report and to establish that the Company's auditor's is aware of that information.

Auditor

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

This report was approved by the board 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 Virgin Entertainment Asia Limited

We have audited the financial statements of Virgin Entertainment Asia Limited for the year ended 31 December 2014, 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 Director's responsibilities statement on page 2, the director is 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>		
Administrative expenses		(11)	(13)
Operating loss		(11)	(13)
Interest receivable and similar income	5	588	656
Profit on ordinary activities before taxation		577	643
Tax on profit on ordinary activities	6	(126)	(151)
Profit for the financial year		451	492

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 10 form part of these financial statements.

Balance sheet
as at 31 December 2014

	<i>Note</i>	£000	2014 £000	£000	2013 £000
Fixed assets					
Investments	7		-		-
Current assets					
Debtors	8	126		25,276	
Creditors: amounts falling due within one year	9	(126)		(3,166)	
Net current assets			-		22,110
Net assets			-		22,110
Capital and reserves					
Called up share capital	10		-		2
Capital redemption reserve	11		-		8,846
Other reserves	11		-		418
Profit and loss account	11		-		12,844
Shareholders' funds	12		-		22,110

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 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.

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 from the requirement to prepare group financial statements by virtue of being subject to the small companies regime of the Companies Act 2006. These financial statements present information about the Company as an individual undertaking and not about its group.

Under Financial Reporting Standard 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

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 in subsidiaries 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 profit/(loss)

The operating loss is stated after charging/ (crediting):

	<i>12 months ended</i> 31 December 2014 £000	<i>9 months ended</i> 31 December 2013 £000
Provision for receivables due from group undertakings	10	8

Notes to the financial statements

3. Auditor's remuneration

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

4. Directors' remuneration

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

5. Interest receivable and similar income

	<i>12 months ended 31 December 2014 £000</i>	<i>9 months ended 31 December 2013 £000</i>
Interest receivable from group companies	<u>588</u>	<u>656</u>

6. Taxation

	<i>12 months ended 31 December 2014 £000</i>	<i>9 months ended 31 December 2013 £000</i>
UK corporation tax charge on profit for the year/period	<u>126</u>	<u>151</u>

Factors affecting tax charge for the year/period

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

	<i>12 months ended 31 December 2014 £000</i>	<i>9 months ended 31 December 2013 £000</i>
Profit on ordinary activities before tax	<u>577</u>	<u>643</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (Period ended 31 December 2013 - 23%)	124	148
Effects of:		
Expenses not deductible for tax purposes	2	3
Current tax charge for the year/period	<u>126</u>	<u>151</u>

Factors that may affect future tax charges

The Company had no recognised or unrecognised deferred tax balances at either the current year or prior period end.

Notes to the financial statements

7. Fixed asset investments

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>				
Salform Limited	England & Wales	Investment holding company	100%	£1 Ordinary shares

8. Debtors

	2014 £000	2013 £000
Amounts owed by group undertakings	126	25,274
Prepayments and accrued income	-	2
	<u>126</u>	<u>25,276</u>

9. Creditors: Amounts falling due within one year

	2014 £000	2013 £000
Trade creditors	-	5
Amounts owed to group undertakings	-	2,175
Corporation tax	126	986
	<u>126</u>	<u>3,166</u>

Notes to the financial statements

10. Share capital

	2014 £000	2013 £000
Allotted, called up and fully paid		
0 (2013 - 16,470,652)) Ordinary A shares of £0.0001 each	-	1
0 (2013 - 8,235,326) Ordinary B shares of £0.0001 each	-	1
1 (2013 - 0) Ordinary share of £0.0001	-	-
	<u>-</u>	<u>2</u>
	<u>-</u>	<u>2</u>

On 19 March 2014, the Company redesignated its authorised share capital of 16,470,652 A ordinary shares and 8,235,326 B ordinary shares of £0.0001 into 24,705,978 ordinary shares of £0.0001.

On 8 December 2014, the Company made a bonus issue of one ordinary share of £0.0001 issued at a premium (Refer to Note 11).

On 9 December 2014, the Company effected a reduction of its capital and cancelled 24,705,978 of its 24,705,979 shares then in issue.

11. Reserves

	<i>Share premium account</i> £000	<i>Capital redemption reserve</i> £000	<i>Other reserves</i> £000	<i>Profit and loss account</i> £000
At 1 January 2014	-	8,846	418	12,844
Profit for the financial year	-	-	-	451
Dividend	-	-	-	(22,559)
Reclassification	-	-	(418)	418
Bonus issue	8,846	(8,846)	-	-
Capital reduction	(8,846)	-	-	8,846
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2014	-	-	-	-

During the year, Virgin group implemented a reorganisation in order to reduce the number of debts outstanding between wholly owned Virgin group companies. On 8 December 2014, the Company capitalised the full amount standing to the credit of its capital redemption reserve by way of a bonus issue of one ordinary share of £0.0001 issued at a premium of £8,846,000.

On 9 December 2014, the Company effected a reduction of its capital and cancelled 24,705,978 of its 24,705,979 shares then in issue, in order to create additional distributable reserves of £8,846,000 (Refer to Note 10).

On 10 December 2014, the Company paid a dividend of £22,559,155 satisfied by the transfer of an intercompany debt receivable due from its parent company, Bluebottle USA Mobile Inc.

Notes to the financial statements

12. Reconciliation of movement in shareholders's funds

	2014 £000	2013 £000
Opening shareholders's funds	22,110	21,618
Profit for the financial year/ period	451	492
Dividend	(22,559)	-
Capital reduction	(2)	-
Total	-	22,110

For movements during the year, please refer to Notes 10 and 11.

13. Related party transactions

At 31 December 2014, the company's ultimate parent company 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 'Related party disclosures'.

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 ultimate parent company was Virgin Group Holdings Limited, a company incorporated in the British Virgin Islands.