

**Virgin Sport Group Limited**

**Annual report and financial  
statements**

**Registered number 9303577  
31 December 2017**

FRIDAY



\*L7FEVRA3\*  
28/09/2018 #132  
L30  
COMPANIES HOUSE

## Contents

Directors' report	1
Statement of directors' responsibilities in respect of the annual report and the financial statements	3
Independent auditor's report to the members of Virgin Sport Group Limited	4
Statement of comprehensive income	6
Balance sheet	7
Statement of Changes in Equity	8
Cash Flow Statements	10
Notes	11-22

## **Directors' report**

The directors present their report and the financial statements for the year ended 31 December 2017.

### **Principal activities**

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

### **Business review**

The Company is the holding company for the Virgin Sport Group. The Company has net liabilities. However, as detailed in note 1 to the financial statements a parent undertaking, Virgin Group 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 this support. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

### **Results and dividends**

The directors do not recommend the payment of a dividend (Year ended 31 December 2016 - £nil)

The profit for the year, after taxation, amounted to £910,000 (Year ended 31 December 2016 – loss of £3,214,000)

### **Directors**

The directors who held office during the year were as follows:

E M Lovell

L H Peracha

M R Wittenberg (resigned 31 December 2017)

A Daniels (appointed 31 December 2017)

### **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.

## **Directors' report**

**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 27 September 2018 and signed on its behalf.

A handwritten signature in cursive script, appearing to read 'Allison Daniels', is written over a faint, dotted grid pattern.

**Ms Allison Daniels**  
**Director**  
**The Battleship Building**  
**179 Harrow Road**  
**London W2 6NB**

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

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 they have elected to prepare the financial statements in accordance with IFRSs as adopted by the EU 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 judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the EU;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIRGIN SPORT GROUP LIMITED**

### **Opinion**

We have audited the financial statements of Virgin Sport Group Limited ("the company") for the year ended 31 December 2017 which comprise the statement of comprehensive income, balance sheet, statement of changes in equity and cash flow statements, 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 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; 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**

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 twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

### **Directors' report**

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

Our responsibility is to read 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 directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

#### Directors' responsibilities

As explained more fully in their statement set out on page 3, 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).<sup>1</sup>

#### 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.



Sarah Syant (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
15 Canada Square  
London  
E14 5GL  
28 September 2018

## Statement of profit and loss and other comprehensive income

For the year ended 31 December 2017

	Note	Year ended 31 December 2017 £000	Year ended 31 December 2016 £000
Revenue	2	3,078	
Administrative expenses		(4,342)	(3,214)
<b>Operating loss</b>		<b>(1,264)</b>	<b>(3,214)</b>
<b>Gain on disposal of investment</b>		<b>1,711</b>	
<b>Profit / (Loss) before taxation</b>		<b>447</b>	<b>(3,214)</b>
Taxation	6	463	
<b>Profit / (Loss) for the year</b>		<b>910</b>	<b>(3,214)</b>
<b>Total comprehensive income for the year</b>		<b>910</b>	<b>(3,214)</b>

The notes on pages 11 to 22 form part of these financial statements.



Registered number: 9303577

**Balance Sheet**  
*As at 31 December 2017*

	Note	31 December 2017 £000	31 December 2016 £000
<b>Non-current assets</b>			
Intangible Assets	7	789	578
Investments	8	3,727	5,727
		<u>4,516</u>	<u>6,305</u>
<b>Current assets</b>			
Trade and other receivables	9	10,189	3,864
Cash and cash equivalents		796	
		<u>10,985</u>	<u>3,864</u>
<b>Total assets</b>		<b>15,501</b>	<b>10,169</b>
<b>Current liabilities</b>			
Trade and other payables	10	(18,471)	(14,049)
		<u>(18,471)</u>	<u>(14,049)</u>
<b>Net liabilities</b>		<b>(2,970)</b>	<b>(3,880)</b>
<b>Capital and reserves</b>			
Share capital	12	1	1
Share premium	13	2,000	2,000
Retained Earnings		(4,971)	(5,881)
		<u>(2,970)</u>	<u>(3,880)</u>
<b>Shareholders' deficit</b>		<b>(2,970)</b>	<b>(3,880)</b>

The notes on pages 11 to 22 form part of these financial statements.

These financial statements were approved by the board of directors on 27 September 2018 and were signed on its behalf by:



**Ms Allison Daniels**  
Director

## Statement of changes in equity

As at 31 December 2017

	Share capital £000	Share premium £000	Retained Earnings £000	Total equity £000
At 1 January 2017	1	2,000	(5,881)	(3,880)
<b>Comprehensive income for the year</b>				
Profit for the year			910	910
<b>Total comprehensive income for the year</b>			910	910
<b>Contributions by and distributions to owners</b>				
<b>Total contributions by and distributions to owners</b>				
At 31 December 2017	1	2,000	(4,971)	(2,970)

## Statement of changes in equity

*As at 31 December 2016*

	Share capital £000	Share premium £000	Retained Earnings £000	Total equity £000
At 1 January 2016	1	2,000	(2,667)	(666)
<b>Comprehensive income for the year</b>				
Loss for the year			(3,214)	(3,214)
<b>Total comprehensive income for the year</b>			(3,214)	(3,214)
<b>Contributions by and distributions to owners</b>				
<b>Total contributions by and distributions to owners</b>				
<b>At 31 December 2016</b>	<b>1</b>	<b>2,000</b>	<b>(5,881)</b>	<b>(3,880)</b>

## Cash flow statement

As at 31 December 2017

	Note	Year ended 31 December 2017 £'000	Year ended 31 December 2016 £'000
<b>Cash flows from operating activities</b>			
Profit / (Loss) for the year		910	(3,214)
<i>Adjustments for:</i>			
Amortisation		80	
Disposal of investments		2,000	
Increase in trade and other receivables	9	(6,325)	(3,861)
Increase in trade and other payables	10	4,422	11,380
<b>Net cash from operating activities</b>		<b>1,087</b>	<b>4,305</b>
<b>Cash flows from investing activities</b>			
Acquisition of intangible assets		(291)	(3,727)
Acquisition of investments			(578)
<b>Net cash from investing activities</b>		<b>796</b>	<b>(4,305)</b>
<b>Net increase in bank balances</b>		<b>796</b>	<b>-</b>
<b>Cash and cash equivalents at beginning of financial year</b>			
<b>Cash and cash equivalents at end of financial year</b>		<b>796</b>	

## Notes to the financial statements

### 1. Accounting policies

#### 1.1 Basis of preparation

Virgin Sport Group Limited (the "Company") is a company incorporated and domiciled in the UK. The registered office is The Battleship Building, 179 Harrow Road, London, W2 6NB.

The Company is subject to the small companies regime and as such exempt by virtue of s383 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.

These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs").

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

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the year are discussed in note 16.

#### 1.2 Going concern

The financial statements have been prepared on a going concern basis in view of the fact that the ultimate parent undertaking Virgin Group 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 the going concern basis.

#### 1.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue comprises fees for rendering of services to other group entities. Revenue from a contract to provide management services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are met

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

## Notes to the financial statements

### 1. Accounting policies (*continued*)

#### 1.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

#### 1.5 Intangible assets and amortisation

Intangible assets are initially recognised at cost. After recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on the following bases:

Website	-	10% straight line
Software	-	33% straight line

#### 1.6 Trade and other receivables

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

#### 1.7 Trade and other payables

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 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument. In accordance with IAS 39, 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.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### *Non-derivative financial assets*

The Company has the following non-derivative financial assets:

##### *Other debtors*

Other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

##### *Non-derivative financial liabilities*

Non-derivative financial liabilities are initially recorded at fair value less directly attributable transaction costs, and subsequently at amortised cost using the effective interest method.

The Company has the following non-derivative financial liability: loans and borrowings.

## Notes to the financial statements

### 1. Accounting policies (*continued*)

#### 1.8 Financial instruments (*continued*)

The Company derecognises financial liabilities when its contractual obligations are discharged, cancelled or expired.

Where an existing financial liability is replaced by another form 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 de-recognition 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.

#### 1.9 Foreign currency translation

##### *Functional and presentation currency*

The company's functional currency is GBP

##### *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and nonmonetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit or loss within 'finance income or costs'. All other foreign exchange gains and losses are presented in the profit or loss within 'other operating income'.

#### 1.10 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income. Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

## Notes to the financial statements

### 1. Accounting policies (*continued*)

#### 1.11 Impairment

##### *Financial assets (including trade and other receivables)*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment, impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

#### 1.12 Expenses

##### *Interest receivable and interest payable*

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

#### 1.13 Adopted IFRS not yet applied

##### *Financial instruments – IFRS 9*

IFRS 9 'Financial Instruments' (effective for the year ending 31 December 2018) replaces IAS 39 'Financial Instruments – recognition and Measurement'. The standard covers the classification, measurement, impairment and de-recognition of financial assets and liabilities and provides new hedge accounting requirements. The Group has assessed the impact of the new standard and noted that IFRS 9 will not have a material impact on the recognition and measurement of the financial assets and liabilities.

##### *Revenue for contracts with customers – IFRS 15*

IFRS 15 'Revenue from Contracts with Customers' (effective for the year ending 31 December 2018) is based on the principle that revenue is recognised when the control of goods or services is transferred to the customer. The standard provides a single, principle-based five-step model to be applied to all contracts with customers to determine whether, how much and when the revenue is recognised. IFRS 15 replaces the separate models for goods, services and construction contracts under IAS 11 'Construction Contracts' and IAS 18 'Revenue'. The Group has assessed the impact of the new standard and noted that IFRS 15 will not have a material impact on the timing and recognition of revenue.



## Notes to the financial statements

### 2. Revenue

An analysis of revenue by class of business is as follows:

	Year ended 31 December 2017 £000	Year ended 31 December 2016 £000
Rendering of management services	3,078	

### 3. Expenses and auditor's remuneration

Included in operating loss are the following:

	Year ended 31 December 2017 £000	Year ended 31 December 2016 £000
Fees for the audit of the company	5	5
Amortisation of Intangible Assets	80	-
Inter Group management services	2,743	1,914

### 4. Staff numbers and costs

One person was employed by the group (excluding directors) during the year (2016:1). Analysed by category as follows:

	Year ended 31 December 2017	Year ended 31 December 2016
Administration and management	1	1

The aggregate payroll costs of these persons were as follows:

	Year ended 31 December 2017 £000	Year ended 31 December 2016 £000
Wages and salaries	130	51
Social security costs	57	17
Contributions to defined contributions plans	23	11
	210	79

### 5. Directors remuneration

The directors did not receive any remuneration during the year for services to the Company (Year ended 31 December 2016 - £nil).

## Notes to the financial statements

### 6. Taxation

	Year ended 31 December 2017 £'000	Year ended 31 December 2016 £000
<b>Current tax:</b>		
Current tax on profits for the year		-
Adjustment in respect of prior years	(463)	-
<b>Total current tax</b>	<b>(463)</b>	

### Factors affecting tax charge for the year

The charge for the year can be reconciled to the profit per the income statement as follows;

	Year ended 31 December 2017 £000	Year ended 31 December 2016 £000
Profit / (Loss) on ordinary activities before tax	447	(3,214)
Tax (loss) at standard UK tax rate of 19.25% (2016: 20%)	86	(643)
<b>Effects of:</b>		
Expenses not deductible	83	8
Non-taxable gain on disposal of subsidiary	(332)	-
Current year losses for which no deferred tax asset was recognised	163	635
Adjustment in respect of prior years	(463)	-
<b>Tax credit for the year</b>	<b>(463)</b>	

The Company has not recognised deferred tax assets in respect of gross unused tax losses of £4,372,578 (2016: £5,787,368) and gross temporary differences of £5,578 (2016: £573).

## Notes to the financial statements

### 7. Intangible assets

	<i>Software</i> £000	<i>Website development</i> £000	<i>Total</i> £000
<b>Cost</b>			
At 1 January 2017	23	555	578
Additions	7	284	291
<b>At 31 December 2017</b>	<b>30</b>	<b>839</b>	<b>869</b>
<b>Amortisation</b>			
At 1 January 2017	-	-	-
Amortisation	9	71	80
<b>At 31 December 2017</b>	<b>9</b>	<b>71</b>	<b>80</b>
<b>Net book value</b>			
<b>At 31 December 2017</b>	<b>21</b>	<b>768</b>	<b>789</b>
At 31 December 2016	23	555	578
<b>Cost</b>			
At 1 January 2016	23	555	578
Additions	23	555	578
<b>At 31 December 2016</b>	<b>23</b>	<b>555</b>	<b>578</b>
<b>Amortisation</b>			
At 1 January 2016	-	-	-
Amortisation	-	-	-
<b>At 31 December 2016</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net book value</b>			
<b>At 31 December 2016</b>	<b>23</b>	<b>555</b>	<b>578</b>
At 31 December 2015	-	-	-

## Notes to the financial statements

### 8. Investments in subsidiary companies

	<i>Investments in subsidiary companies</i>
	£000
Cost and NBV	
At 1 January 2017	5,727
Disposals	2,000
	<hr/>
At 31 December 2017	3,727
	<hr/>

The Company has the following 100% wholly owned investments in subsidiaries;

	Country of Registration	Principal activities	Direct/indirect Holding	Type of Share	Registered Office Address
<i>Subsidiary undertakings:</i>					
Virgin Sport Holdings UK Limited (liquidated)	England and Wales	Investment holding company	Direct	£1 ordinary shares £1 A ordinary shares	The Battleship Building, 179 Harrow Road, London, W2 6NB
Achieve Events Limited (in liquidation)	England and Wales	Sport events management	Direct	£0.01 ordinary shares	The Battleship Building, 179 Harrow Road, London, W2 6NB
Virgin Sport Management USA Inc	USA	Management company	Direct	\$0.01 common stock	65 Bleecker St, New York, NY, 10012, USA
Virgin Sport UK Limited (formerly Achieve Events (UK) Limited)	England and Wales	Sport events management	Indirect	£1 ordinary shares	The Battleship Building, 179 Harrow Road, London, W2 6NB
Virgin Sport USA, LLC (in liquidation)	USA	Sports events management	Indirect	Member units	65 Bleecker St, New York, NY, 10012, USA
Achieve Events Operations Limited (formerly Raceahead (UK) Limited) (liquidated)	England and Wales	Sport events management	Indirect	£1 ordinary shares	The Battleship Building, 179 Harrow Road, London, W2 6NB

Virgin Sport Holdings was dissolved on 30<sup>th</sup> January 2018 and Virgin Sport USA, LLC was dissolved on August 17 2018. The Company disposed of its investment of £2,000.000 in Virgin Sports Holdings in 2017.

## Notes to the financial statements

### 9. Trade and other receivables

	2017 £000	2016 £000
Amounts owed by group undertakings	10,149	3,718
VAT	40	146
	<u>10,189</u>	<u>3,864</u>

### 10. Trade and other payables

	2017 £000	2016 £000
Amounts owed to group undertakings	17,735	13,498
Trade payables	123	8
Accruals	203	543
Provisions	410	
	<u>18,471</u>	<u>14,049</u>

### 11. Financial instruments

#### a. Fair values of financial instruments

All financial assets and financial liabilities with their carrying amounts as shown in the balance sheet are as follows;

	Carrying Amount Year ended 31 December 2017 £000	Carrying Amount Year ended 31 December 2016 £000
<b>Financial assets measured at amortised cost</b>		
Amounts owed by group undertakings (note 9)	10,149	3,718
Other tax (note 9)	40	146
<b>Financial liabilities measured at amortised cost</b>		
Amounts owed to group undertakings (note 10)	17,735	13,498
Trade payables (note 10)	123	8
Accruals and deferred income (note 10)	203	543
Provisions	410	

## Notes to the financial statements

### 11. Financial instruments (*continued*)

The carrying amounts of financial assets and liabilities approximate their fair values.

#### *Financial risk factors*

The Company's activities expose it to a variety of financial risks, including the effects of changes in currency risk, credit risk and capital risk.

The board of directors is responsible for setting the objectives and underlying principles of financial risk management for the Company.

#### b. Currency risk

For the year ended 31 December 2017 the Company had USD currency transactions with its wholly owned subsidiaries in the US.

#### c. Credit risk

The Company adopts the policy of dealing only with counterparties with appropriate credit history.

The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments presented on the balance sheet. The Company has one class of financial assets; amounts owed by group undertakings (see note 6).

#### (i) *Financial assets that are neither past due nor impaired*

Other debtors that are neither past due nor impaired are substantially companies with a good collection track record with the Company.

#### (ii) *Financial assets that are past due and/or impaired*

No class of financial assets is past due and/or impaired.

#### d. Capital risk

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value by issuing or redeeming additional equity and debt instruments, or obtaining financial support from an intermediate holding corporation, when necessary.

The Company is not subject to any externally imposed capital requirements

## Notes to the financial statements

### 12. Share capital

	Year ended 31 December 2017 £000	Year ended 31 December 2016 £000
<i>Allotted, called up and fully paid</i>		
9,000,001 ordinary shares of £0.0001	1	1
625,000 (2016: 625,000) A ordinary shares of £0.0001	-	-
	<u>1</u>	<u>-</u>

### 13. Share Premium

	Year ended 31 December 2017 £000	Year ended 31 December 2016 £000
Share premium	2,000	2,000
	<u>2,000</u>	<u>2,000</u>

### 14. Related parties

At 31 December 2017 the Company's ultimate parent undertaking was Virgin Group Holdings Limited, whose principal 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.

The company has the following amounts outstanding with fellow subsidiaries of the Virgin Group;

	Year ended 31 December 2017 £000	Year ended 31 December 2016 £000
Revenue	3,078	-
Purchases	2,743	1,914
Receivables	10,149	3,142
Payables	<u>17,735</u>	<u>13,498</u>

## Notes to the financial statements

### 15. Ultimate parent undertaking and controlling party

The ultimate parent undertaking as at 31 December 2017 was Virgin Group Holdings Limited, a company incorporated in the British Virgin Islands.

### 16. Accounting estimates and judgement

The preparation of the financial statements in conformity with EU-IFRS 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 year in which the estimates are revised and in any future periods affected.

There are no accounting policies that are considered to be critical, because they either require significant amount of management judgement or the results are material to the company financial statements.