

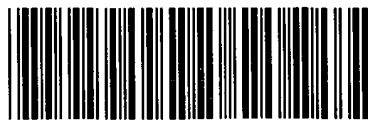
Virgin Atlantic International Limited

Annual report and financial statements

31 December 2021

Registered number: 09539561

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Annual report and financial statements

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Strategic report

Management and financial review

The principal activity of the Company is to partake in a joint business agreement with another Virgin Atlantic Group company which provides scheduled air passenger transport.

The profit before taxation amounted to £28,319k during the year (2020: loss of £55,815k). The profit for the year is driven by the performance of the joint business agreement (JBA) with another Virgin Atlantic Limited Group company. The JBA is dependent on revenue performance in the other Group Company against its budget.

The directors expect that the present level of activity will be sustained for the foreseeable future.

Risk review

From the perspective of the Company, the principal risks and uncertainties are integral to the principal risks of the group headed by Virgin Atlantic Limited and are not managed separately. Accordingly, the principal risks and uncertainties of the Virgin Atlantic Limited Group, which include those of the Company, are discussed on pages 58-70 of Virgin Atlantic Limited's annual report which does not form part of this report.

The strategic report was approved by the Board of Directors on 29 June 2022 and signed on its behalf by



Julian Homerstone
Company Secretary

Directors' report

Registered number: 09539561

The directors present their annual report and the audited financial statements of Virgin Atlantic International Limited ("the Company") for the year from 1 January 2021 to 31 December 2021.

Directors and directors' interests

The directors who held office during the year and to date of this report were as follows:

Sir Richard Branson
Shai Weiss
Edward Bastian
Glen Hauenstein
Gordon McCallum
Peter Norris
Dwight James
Cornelis Koster
Juha Jarvinen
Steve Sear
Oliver Byers
Ian Woods
Luigi Brambilla
Alain Bellemare

Resigned 11 February 2021

Resigned 20 January 2021

Appointed 20 January 2021

Appointed 11 February 2021

Dividends

Ordinary dividends of £nil were declared and paid in the reporting period (2020: £2,750k).

Auditors

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.

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The directors report was approved by the Board of Directors on 29 June 2022 and signed on its behalf by



Julian Homerstone
Company Secretary

Company Secretariat
The VHQ, Fleming Way
Crawley, West Sussex
RH10 9DF

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

The directors are responsible 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 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 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 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 Atlantic International Limited

Opinion

We have audited the financial statements of Virgin Atlantic International Group Limited ("the company") for the year ended 31 December 2021 which comprise the Profit or loss and total comprehensive income, Statement of financial position, Statement of changes in equity and related notes, including the accounting policies in note 3

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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.

Material uncertainty related to going concern

We draw attention to note 3 to the financial statements which indicates that the Company's ability to continue as a going concern is dependent on the continued financial support from other group companies. The financial statements of Virgin Atlantic Airways Limited include material uncertainties related to going concern and therefore the availability of support may be in doubt if required. These events and conditions, along with the other matters explained in note 3, constitute a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

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 their operations, and as they have concluded that the Company's financial position means that this is realistic for at least a year from the date of approval of the financial statements ("the going concern period"). As stated above, they have also concluded that there is a material uncertainty related to going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we found the going concern disclosure in note 3 to be acceptable.

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 above conclusions are not a guarantee that the Company will continue in operation.

Other information

The directors are responsible for the other information, which comprises the strategic report and the directors' report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information 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 other information;
- in our opinion the information given in the strategic report and the directors' report 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 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.

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.

Jeremy Hall

Jeremy Hall (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
United Kingdom
29th June 2022

Virgin Atlantic International Limited
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Profit and loss and other comprehensive income

Year ended 31 December 2021

	Note	Year ended 31 December 2021 £000	Year ended 31 December 2020 £000
Revenue		28,461	4,990
Cost of sales		-	(59,875)
Gross profit/(loss)		28,461	(54,885)
Operating costs		(427)	(69)
Profit/(loss) before interest and taxation	5	28,034	(54,954)
Interest receivable and similar income		19,764	20,455
Interest payable and similar charges		(19,478)	(21,316)
Net interest income/(expense)	6	286	(861)
Profit/(loss) before tax		28,320	(55,815)
Tax on profit on ordinary activities	7	(4,286)	-
Profit/(loss) on ordinary activities after tax		24,034	(55,815)

There are no recognised gains or losses other than the gain for the current financial year. The gain for the year arises from continuing activities.

The notes on pages 9 to 15 form part of these financial statements.

Statement of financial position

As at 31 December 2021

Registered number: 09539561

	Note	As at 31 December 2021 £000	As at 31 December 2020 £000
Current assets			
Trade and other receivables	8	519,504	487,891
Cash and cash equivalents	9	33,361	37,610
		552,865	525,501
Current liabilities			
Trade and other payables	10	(138,869)	(135,539)
Net current assets		413,996	389,962
Non-current liabilities			
Other payables	11	(444,216)	(444,216)
Net (liabilities)/assets		(30,220)	(54,254)
Capital and reserves			
Called up share capital	12	0	0
Retained earnings		(30,220)	(54,254)
		(30,220)	(54,254)

These financial statements were approved by the Board of Directors on 29 June 2022 and were signed on its behalf by:

Oliver Byers
Oliver Byers
 Director

The notes on pages 9 to 15 form part of these financial statements.

Virgin Atlantic International Limited
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Statement of changes in equity

For the year ended 31 December 2021

	Share capital £000	Retained earnings £000	Total £000
Balance at 1 January 2020	-	4,311	4,311
Loss for the year	-	(55,815)	(55,815)
Dividends paid		(2,750)	(2,750)
Balance at 31 December 2020	-	(54,254)	(54,254)
Balance at 1 January 2021	-	(54,254)	(54,254)
Profit for the year	-	24,034	24,034
Balance at 31 December 2021	-	(30,220)	(30,220)

The notes on pages 9 to 15 form part of these financial statements.

Notes to the financial statements

1 General information

Virgin Atlantic International Limited principally acts as an operator of scheduled air services for the carriage of passengers and freight.

The Company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is The VHQ, Fleming Way, Crawley, West Sussex, RH10 9DF.

2 Statement of compliance

The financial statements have been prepared in compliance with the provisions of FRS 102 (The Financial Reporting Standard applicable in the UK and Republic of Ireland) and the Companies Act 2006. There were no material departures from that standard.

3 Principal accounting policies

The following accounting policies have been applied consistently in dealing with matters which are considered material in relation to the financial statements of the Company.

(a) Basis of preparation

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Virgin Atlantic Airways Limited's assumptions over future performance, including revenue and fuel cost trends. Virgin Atlantic Airways Limited has indicated its intention to continue to make available such funds as are needed by the Company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. However, continued support is dependent on the ability of the Virgin Atlantic Airways Limited being able to settle its liabilities as they fall due. The Directors of Virgin Atlantic Airways Limited have concluded that material uncertainties exist over the Virgin Atlantic Airways Limited Group's ability to continue as a going concern as there is a high level of uncertainty as to how the global aviation industry will emerge from the Covid-19 pandemic. The following basis of preparation wording has been included in the group accounts:

In determining the appropriate basis of preparation of the financial statements for the year ended 31 December 2021, the Directors are required to consider whether the Group and Company can continue in operational existence for the foreseeable future. The Board has concluded that it is appropriate to adopt the going concern basis, having assessed the financial forecasts with specific consideration to the trading position of the Group and Company in the context of the ongoing uncertainty of the Coronavirus pandemic ("Covid-19").

Passenger numbers and passenger revenue through 2021 continued to be heavily impacted by the Covid-19 pandemic, at 19% and 20% of 2019 respectively. The Group's performance improved significantly in H2 as global restrictions eased, with passenger numbers and bookings rising most sharply in November in response to the re-opening of US borders.

At 31 December 2021, the Group had total cash balances of £589m, including unrestricted cash of £502m. The Group has continued to successfully secure additional financing arrangements, including:

- The sale and leaseback of two 787 aircraft at the start of the year, generating a net increase in cash of £40m (with \$110m of the proceeds being used to reduce our external debt with Davidson Kempner Capital Management);
- A solvent recapitalisation finance package worth £160m in March 2021, comprising:
 - £97m shareholder funding from Virgin Group
 - Support from creditor groups, including operating lease lessors, totalling £63m
- Further financing in December 2021, including:
 - £400m new investment from Virgin Group (51%) and Delta Air Lines (49%) in December 2021;
 - Creditor support totalling £263m;
- Financing of all new aircraft deliveries through Q2 2024.

Notes to the financial statements *(continued)*

(a) Basis of preparation (continued)

Decisive actions taken to reshape and reduce the cost base in 2020 also benefited the Group in 2021, including a high proportion of recurring savings that will deliver ongoing benefit in future years. To assess Going Concern, the Directors have prepared two scenarios – the ‘Plan of Record’ and ‘severe but plausible’ scenario. In assessing the Plan of Record, the Directors have taken a prudent approach that considers a number of macroeconomic assumptions beyond Covid-19, as follows:

- The removal of most travel restrictions in key markets in early 2022, with the exception of China and Hong Kong where restrictions are expected to last through the majority of 2022;
- Increasing cost inflation driven primarily by airport and other third party charges;
- A substantial rise in fuel costs vs 2021;
- Passenger numbers rebuilding steadily, reaching 92% of 2019 levels by Q4; and
- Continued strong performance of the Cargo business.

This scenario results in H1 2022 passenger revenues at around three quarters of 2019 levels, and total 2022 revenues around 20% below 2019 levels.

This scenario indicated that unrestricted cash would be sufficient to meet all Group liquidity and slot covenant requirements and to ensure the business is able to operate for at least the 12 month period from March 2022. This includes the ability to meet all remaining creditor repayments, following a period of deferrals.

The Directors have also modelled a severe but plausible scenario, reflecting external factors that could have an acute impact on the Group’s financial performance or delay recovery beyond the Base case, including the impact of the war in Ukraine. The impact of the following assumptions has been assessed:

- Additional fuel and foreign exchange pressures;
- Slower than anticipated passenger recovery, translating into lower demand through Summer 22; and
- The emergence of another variant of concern similar to Omicron in Q1 2023 and the resulting impact on travel restrictions; and
- The rerouting or cancellation of certain routes as a result of avoiding Russian airspace.

In this ‘downside’ scenario, free cash levels would breach current liquidity requirements and covenant levels in March 2023.

In the unlikely event that the above scenario transpires, additional mitigating actions being considered by the Directors include:

- Deferral of expenditure;
- Further shareholder support;
- Additional cost reduction activities;
- Review of network and profitability; and
- Further focus on our Cargo business and new route opportunities.

In light of recent events, the impact of the conflict in Ukraine has been considered with respect to fuel prices, additional costs incurred on routes that can no longer overfly Russia or the cancellation of some cargo routes altogether. The result of running this sensitivity was significantly less severe than the severe but plausible scenario.

Having reviewed the Plan of Record, the severe but plausible scenario and additional sensitivities, the Directors have a reasonable expectation that the Group has adequate resources to be able to meet its current obligations for the foreseeable future, and therefore believe that it remains appropriate to prepare the financial statements on a going concern basis.

However, continued uncertainty around Covid-19 means a number of factors are not within the Group’s control, including the emergence of new variants of the virus and the re-introduction of travel restrictions in response to changes in the Covid-19 risk landscape. This includes sensitivities relating to the timing and scale of the recovery from the Covid-19 pandemic, yield, operational capacity and cost mitigations. Should a more severe scenario occur, additional funding would need to be secured; the Group’s ability to do so in the case of a more severe scenario represents a material uncertainty at 25 March 2022 that could cast significant doubt on the Group’s ability to continue as a going concern.

Notes to the financial statements *(continued)*

(a) Basis of preparation *(continued)*

Based on their enquiries the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, these circumstances represent a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being appropriate.

The Company has taken the exemption for financial instruments disclosures, required under FRS 102, as the information is provided in the consolidated financial statements of its parent company.

(b) Revenue and revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business during the accounting period. Revenue is recognised net of VAT and other sales-related taxes.

(c) Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the statement of financial position date. All exchange differences are included in the income statement.

(d) Taxation including deferred tax

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the statement of financial position date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net 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 differences can be deducted.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

(e) Borrowing costs

Borrowing costs are recognised in the income statement in the period in which they are incurred.

(f) Dry and wet lease arrangements

Virgin Atlantic International Limited has dry and wet lease agreements with Virgin Atlantic Airways Limited for aircrafts which are leased in both directions. These are treated as an agency relationship in the financial statements and the amounts are settled on a net basis.

Notes to the financial statements *(continued)*

4 Employees

The Company had no employees during the year ended 31 December 2021.

The directors did not receive any emoluments for their services to the Company in the year ended 31 December 2021 (2020: £nil); emoluments were received by the directors for their services to the immediate parent company, Virgin Atlantic Airways Limited. The Company considers that there is no practicable method to accurately allocate a portion of the emoluments the directors receive from their respective Group company employer to the qualifying services they provide to the company.

5 Profit before interest and taxation

Fees payable to the Company's auditor (£8,000, 2020: £8,000) for the audit of the Company's annual accounts are borne by the parent company.

Fees payable to the Company's auditor and its associates for services other than the statutory audit of the parent company and subsidiaries are not disclosed in Virgin Atlantic International Limited's financial statements since the consolidated financial statements of the Company's parent, Virgin Atlantic Limited, are required to disclose non-audit fees on a consolidated basis

6 Net interest income/(expense)

	Year ended 31 December 2021 £ 000	Year ended 31 December 2020 £ 000
Interest receivable and similar income		
Bank interest receivable	-	79
Interest on loans to group undertakings	19,764	20,376
Interest payable and similar expenses		
Interest on loans from group undertakings	19,478	21,316
Net interest income/(expense)		
Interest receivable and similar income	19,764	20,455
Interest payable and similar charges	(19,478)	(21,316)
	286	(861)

Notes to the financial statements (continued)

7 Taxation

Tax expense included in profit or loss

	Year ended 31 December 2021 £000	Year ended 31 December 2020 £000
<i>Current tax</i>		
UK corporation tax on profits for the period	4,431	-
Adjustment in respect of prior periods	(145)	-
	<u>4,286</u>	<u>-</u>

Group relief payments are accounted for where losses will be surrendered to or from other Group companies.

Reconciliation of tax charge

The standard rate of UK corporation tax for the period is 19% (2019: 19%). The actual tax charge for the period differs from that computed by applying the standard tax rate to the profit before tax as reconciled below:

	Year ended 31 December 2021 £000	Year ended 31 December 2020 £000
Profit/(loss) before taxation	28,320	(55,815)
Tax charge at the standard rate at 19% (2020: 19%)	<u>5,381</u>	<u>(10,605)</u>
<i>Factors affecting the charge for the year</i>		
Effects of losses	(950)	-
Adjustment from prior periods	(145)	-
Effects of Group relief	-	10,605
Total tax charge	<u>4,286</u>	<u>-</u>

A reduction in the UK corporation tax rate to 19% (effective from 1 April 2017) was substantively enacted on 26 October 2015.

In addition, the Company continues to be directly and indirectly affected by new tax legislation. Changes in such legislation, regulation or interpretation could have an effect on the Company's operating results and financial position.

8 Current assets: Trade and other receivables

	As at 31 December 2021 £000	As at 31 December 2020 £000
Amounts owed by group undertakings	519,504	487,891
	<u>519,504</u>	<u>487,891</u>

Amounts owed by group undertakings include loans of £544,085k owed by another Virgin Atlantic Group company, offset by £24,581k of balances relating to intercompany trading agreements with the same counterparty. The loan is secured, accrues interest annually and is repayable in December 2030, or upon default by the counterparty.

Virgin Atlantic International Limited
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Notes to the financial statements *(continued)*

9 Cash and cash equivalents

	As at 31 December 2021 £000	As at 31 December 2020 £000
Cash at bank	2,109	-
Restricted cash	31,252	37,610
	<u>33,361</u>	<u>37,610</u>

Restricted cash includes liquidity reserves relating to collateralised borrowing agreements entered into by the Company and subsidiaries of the parent company.

The assets of the Company, including restricted cash, are pledged as security for liabilities of certain fellow subsidiaries under common control of the parent company.

10 Current liabilities: Trade and other payables

	As at 31 December 2021 £000	As at 31 December 2020 £000
Group relief payable	7,540	3,255
Amounts owed to group undertakings	131,329	132,284
	<u>138,869</u>	<u>135,539</u>

Amounts owed to group undertakings include loans owed to another Virgin Atlantic Group company of £130,475k. The loan accrues interest annually and is repayable in December 2030.

11 Non-current liabilities: Other payables

	As at 31 December 2021 £000	As at 31 December 2020 £000
Amounts owed to group undertakings	444,216	444,216
	<u>444,216</u>	<u>444,216</u>

Amounts owed to group undertakings relate to a loan owed to another Virgin Atlantic Group company of £444,216k. The loan accrues interest annually and is repayable in December 2030.

Notes to the financial statements *(continued)*

12 Share capital

	As at 31 December 2021 £000	As at 31 December 2020 £000
<i>Allotted and fully paid</i>		
1 ordinary share of £1	<u>0</u>	<u>0</u>

13 Related party transactions

As at 31 December 2021, the Directors consider the ultimate holding company to be Virgin Group Holdings Limited, a company registered in the British Virgin Islands. The sole shareholder of Virgin Group Holdings is Sir Richard Branson. Sir Richard Branson has interests directly or indirectly in certain other companies, which are considered to give rise to related party disclosures under IAS 24.

The Company had transactions in the ordinary course of business with related parties, as follows:

	As at 31 December 2021 £000	As at 31 December 2020 £000
Parent company		
Sales to parent company	28,461	4,990
Subsidiary undertakings of the parent (not wholly owned)		
Interest payable to subsidiary undertakings of the parent	(21,769)	(20,376)
Interest receivable from subsidiary undertakings of the parent	21,772	21,316
Amounts owed to subsidiary undertakings of the parent	(574,691)	(576,500)
Amounts due from subsidiary undertakings of the parent	519,504	487,891

Related party transactions include interest on loans to Barbados Enterprises PLC and interest receivable from subsidiary undertakings of the parent company.

14 Ultimate holding company

The immediate parent undertaking is VAA Holdings Jersey Limited.

As at 31 December 2021, the Directors consider that the Group's ultimate parent company and its controlling party is Virgin Group Holdings Limited, a company incorporated in the British Virgin Islands, the accounts of which are neither consolidated nor publicly available. The Directors consider that Sir Richard Branson is the ultimate controlling party of the Company.

As at 31 December 2021, Virgin Atlantic Limited, a company registered in England & Wales, is the parent undertaking of the largest group of which the Company is a member and for which consolidated financial statements are drawn up.

As at 31 December 2021, Virgin Atlantic Airways Limited, a company registered in England & Wales, is the parent undertaking of the smallest group of which the Company is a member and for which consolidated financial statements are drawn up.

Copies of the financial statements for both Virgin Atlantic Limited and Virgin Atlantic Airways Limited may be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.

15 Subsequent events

There were no subsequent events as at the date of this report.