

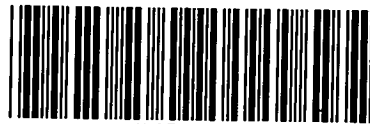
Virgin Voyager Limited

Strategic Report, Directors' Report and Financial Statements

Registered number 2857673

31 December 2013

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Strategic Report

For the Period Ended 31 December 2013

Business review

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

The profit for the year, after taxation, amounted to £20,298,000 (Year ended 31 March 2013 - loss £20,298,000)

Principal risks and uncertainties

The management of the business and execution of the Company's strategy are subject to a number of risks which impacts the recoverable value of the Company's investments.

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Virgin Wings Group (the "Group") and are not separately managed. Further discussion of these risks and uncertainties, in context of the Group as a whole, is provided on pages 4-7 of the Group's annual report for the year ended 31 December 2013 which does not form part of this report.

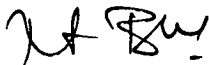
The Company has net current liabilities. However, as detailed in note 1 to the financial statements a parent undertaking, Virgin Holdings Limited, has formally indicated that it is its present intention to provide sufficient funding to the Company to enable it to meet its liabilities as they fall due, for at least the next twelve months. The directors have no reason to believe that the parent company will not be in a position to provide this support.

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.

Financial key performance indicators

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis of KPI's is not necessary for an understanding of the development, performance or position of the business.

This report was approved by the board on 19 August 2014 and signed on its behalf.



R P Blok
Director
The Battleship Building
179 Harrow Road
London
W2 6NB

Directors' Report

The directors present their report and the financial statements for the 9 month period ended 31 December 2013. The previous financial statements were for the 12 month period ended 31 March 2013.

Results and dividends

The profit for the financial period amounted to £20,298,000 (Year ended 31 March 2013 - loss £20,298,000).

The directors do not recommend the payment of a dividend (Year ended 31 March 2013 - £nil).

Directors

The directors who served during the period were:

I P Woods
C R Stent (resigned 21 June 2013)
R P Blok (appointed 21 June 2013)
N A Fox (appointed 21 June 2013)

Provision of information to auditor

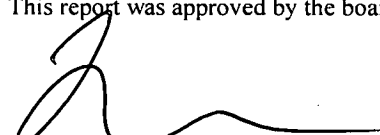
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- 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

The auditor, KPMG LLP, Statutory Auditor, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 19 August 2014 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 Period Ended 31 December 2013

The Directors are responsible for preparing the Strategic Report, 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 Voyager Limited

We have audited the financial statements of Virgin Voyager Limited for the period ended 31 December 2013, set out on pages 5 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 directors' responsibilities on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the 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 2013 and of its profit for the period 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 Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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



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

19 August 2014

Profit and Loss Account
For the Period Ended 31 December 2013

	<i>9 months ended</i> <i>31 December</i> 2013 £000	12 months ended 31 March 2013 £000
Administrative expenses	<u>20,298</u>	<u>(20,298)</u>
Operating profit/(loss)	2 <u>20,298</u>	<u>(20,298)</u>
Profit/(loss) on ordinary activities before taxation	20,298	(20,298)
Tax on profit/(loss) on ordinary activities	4 <u>-</u>	<u>-</u>
Profit/(loss) for the financial period	20,298	(20,298)

All amounts relate to continuing operations.

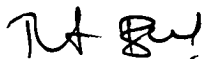
There were no recognised gains and losses for the current period or prior year other than those included in the profit and loss account.

The notes on pages 7 to 11 form part of these financial statements.

Balance Sheet
As at 31 December 2013

	<i>Note</i>	31 December 2013 £000	31 March 2013 £000
Fixed assets			
Investments	5	192,023	171,725
Current assets			
Debtors	6	1,520	1,520
Creditors: amounts falling due within one year	7	<u>(77,167)</u>	<u>(77,167)</u>
Net current liabilities		<u>(75,647)</u>	<u>(75,647)</u>
Net assets		<u>116,376</u>	<u>96,078</u>
Capital and reserves			
Called up share capital	8	32,860	32,860
Share premium account	9	101,218	101,218
Merger reserve	9	26,062	26,062
Profit and loss account	9	<u>(43,764)</u>	<u>(64,062)</u>
Shareholders' funds	10	<u>116,376</u>	<u>96,078</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 August 2014.



R P Blok
 Director

The notes on pages 7 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 except as noted below.

1.1 Basis of preparation of financial statements

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

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

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

1.2 Investments

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

1.3 Deferred taxation

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

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

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

Deferred tax assets and liabilities are not discounted.

Notes to the Financial Statements

2. Operating profit/(loss)

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

	9 months ended 31 December 2013 £000	12 months ended 31 March 2013 £000
Provision against investment in subsidiary	-	20,298
Provision released against investment in subsidiary	(20,298)	-
Total	<u>(20,298)</u>	<u>20,298</u>

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

3. Directors' remuneration

The directors did not receive any remuneration during the period for services to the Company (Year ended 31 March 2013 - £nil).

4. Taxation

Factors affecting tax charge for the period/year

The tax assessed for the period/year is lower than (Year ended 31 March 2013 - higher than) the standard rate of corporation tax in the UK of 23% (Year ended 31 March 2013 - 24%). The differences are explained below:

	9 months ended 31 December 2013 £000	12 months ended 31 March 2013 £000
Profit/loss on ordinary activities before tax	20,298	(20,298)
Profit/loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 23% (Year ended 31 March 2013 - 24%)	4,669	(4,872)
Effects of:		
Expenses not deductible for tax	-	4,872
Income not taxable	(4,669)	-
Current tax charge for the period/year	<u>-</u>	<u>-</u>

Notes to the Financial Statements

4. Taxation (continued)

Factors that may affect future tax charges

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

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

Reductions in the rate from 23% to 21% (effective from 1 April 2014) and from 21% to 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. A rate of 20% has been used within the deferred tax calculations within these financial statements.

	<i>9 months ended 31 December 2013 Recognised £000</i>	<i>9 months ended 31 December 2013 Unrecognised £000</i>	12 months ended 31 March 2013 Recognised £000	12 months ended 31 March 2013 Unrecognised £000
UK tax losses	-	(3,568)	-	(4,103)

5. Fixed asset investments

	<i>Investments in subsidiary companies £000</i>
Cost or valuation	
At 1 April 2013 and 31 December 2013	192,023
Impairment	
At 1 April 2013	20,298
Reversal of impairment	(20,298)
At 31 December 2013	-
Net book value	
At 31 December 2013	192,023
At 31 March 2013	171,725

The companies in which the Company's interest at 31 December 2013 is more than 20% are as follows:

	Country of registration	Principal activity	Holding	Class of shares
<i>Subsidiary undertakings</i>				
Virgin Models Limited	England and Wales	Investment holding company	100%	Ordinary 10p shares

Notes to the Financial Statements

6. Debtors

	<i>31 December</i> 2013 £000	31 March 2013 £000
Amounts owed by group undertakings	<u>1,520</u>	<u>1,520</u>

7. Creditors: Amounts falling due within one year

	<i>31 December</i> 2013 £000	31 March 2013 £000
Amounts owed to group undertakings	<u>77,167</u>	<u>77,167</u>

8. Share capital

	<i>31 December</i> 2013 £000	31 March 2013 £000
Allotted, called up and fully paid		
22,124,881 A Ordinary shares of £0.10 each	2,212	2,212
4,720,037,880 Ordinary shares of \$0.01 each	30,648	30,648
	<u>32,860</u>	<u>32,860</u>

9. Reserves

	<i>Share premium account</i> £000	<i>Merger reserve</i> £000	<i>Profit and loss account</i> £000
At 1 April 2013	101,218	26,062	(64,062)
Profit for the financial period	-	-	20,298
At 31 December 2013	<u>101,218</u>	<u>26,062</u>	<u>(43,764)</u>

10. Reconciliation of movement in shareholders' funds

	<i>31 December</i> 2013 £000	31 March 2013 £000
Opening shareholders' funds	96,078	116,376
Profit/(loss) for the financial period/year	20,298	(20,298)
Closing shareholders' funds	<u>116,376</u>	<u>96,078</u>

Notes to the Financial Statements

11. Related party transactions

At 31 December 2013, the Company's ultimate parent undertaking was Virgin Group Holdings Limited, whose principal shareholders are Sir Richard Branson and certain trusts, none of which individually has a controlling interest in Virgin Group Holdings Limited. The principal beneficiaries of those trusts are Sir Richard Branson and/or his immediate family. The shareholders of Virgin Group Holdings Limited have interests directly or indirectly in certain other companies which are considered to give rise to related party disclosures under Financial Reporting Standard No. 8.

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

12. Ultimate parent undertaking and controlling party

As at 31 December 2013, the Company is a subsidiary undertaking of Virgin Group Holdings Limited, a company incorporated in the British Virgin Islands.

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