

Vanson Developments Limited

Directors' report and financial statements

Registered number 1735693

31 December 2013

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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.

Principal activities

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

Business review

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

The directors therefore 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 period, after taxation, amounted to £32,592,000 (Year ended 31 March 2013 - loss £115,000).

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

Directors

The directors who served during the period were:

R G McCormack
B A R Gerrard

Provision of information to auditor

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

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company's auditor in connection with preparing its report and to establish that the Company's auditor is aware of that information.

Auditor

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

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



B A R Gerrard

Director
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 Vanson Developments Limited

We have audited the financial statements of Vanson Developments Limited for the period ended 31 December 2013, set out on pages 4 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor 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 Directors' responsibilities statement 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 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.
- 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

19 August 2014

Profit and loss account
for the period ended 31 December 2013

		9 months ended 31 December 2013 £000	12 months ended 31 March 2013 £000
Administrative expenses		32,643	(758)
Operating profit/(loss)	2	32,643	(758)
Interest receivable and similar income	4	93	643
Interest payable and similar charges	5	(144)	-
Profit/(loss) on ordinary activities before taxation		32,592	(115)
Tax on profit/(loss) on ordinary activities	6	-	-
Profit/(loss) for the financial period		32,592	(115)

All amounts relate to continuing operations.

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

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

Balance sheet
as at 31 December 2013

			<i>31 December</i>		<i>31 March</i>
	<i>Note</i>	<i>£000</i>	<i>2013</i>	<i>£000</i>	<i>2013</i>
			<i>£000</i>	<i>£000</i>	<i>£000</i>
Fixed assets					
Investments	7		-		-
Current assets					
Debtors	8	14		14	
Creditors: amounts falling due within one year	9	(11,376)		(43,968)	
Net current liabilities			(11,362)		(43,954)
Net liabilities			(11,362)		(43,954)
Capital and reserves					
Called up share capital	10		54,314		54,314
Share premium account	11		26,718		26,718
Profit and loss account	11		(92,394)		(124,986)
Shareholders' deficit	12		(11,362)		(43,954)

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



B A R Gerrard
 Director

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

Notes to the financial statements

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

The financial statements have been prepared on a going concern basis in view of the fact that the parent undertaking, Virgin Holdings Limited, an intermediate parent undertaking, 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 Virgin Holdings Limited 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 Financial Reporting Standard 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 Classification of Financial Instruments by the Company

Financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

a. they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and

b. where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

Notes to the financial statements

2. Operating profit/(loss)

Loss on ordinary activities before taxation is stated after charging/(crediting)

	9 months ended 31 December 2013 £000	12 months ended 31 March 2013 £000
Provision released against amounts due from group undertakings	(32,643)	-
Provision against amounts owed by group undertakings	-	758

The audit fee for the current period and prior year has been borne by another group company.

3. Directors' remuneration

During the period, no director received any emoluments (Year ended 31 March 2013: £nil).

4. Interest receivable and similar income

	9 months ended 31 December 2013 £000	12 months ended 31 March 2013 £000
Receivable from group undertakings	93	643

5. Interest payable

	9 months ended 31 December 2013 £000	12 months ended 31 March 2013 £000
Payable to group undertakings	144	-

6. Taxation

	9 months ended 31 December 2013 £000	12 months ended 31 March 2013 £000
UK corporation tax charge on profit/loss for the period/year	-	-

Notes to the financial statements

6. Taxation (continued)

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	32,592	(115)
Profit/loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 23% (Year ended 31 March 2013 - 24%)	7,496	(28)
Effects of:		
Expenses not deductible for tax purposes	33	182
Non-taxable income	(7,529)	(154)
Current tax charge for the period/year	-	-

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.

	9 months ended 31 December 2013 Recognised £000	9 months ended 31 December 2013 Unrecognised £000	12 months ended 31 March 2013 Recognised £000	12 months ended 31 March 2013 Unrecognised £000
UK tax losses	-	-	-	-

Notes to the financial statements

7. Fixed asset investments

	<i>Investments in subsidiary companies £000</i>
Cost or valuation	
At 1 April 2013	68,373
Disposals	(68,373)
At 31 December 2013	-
Impairment	
At 1 April 2013	68,373
Impairment on disposals	(68,373)
At 31 December 2013	-
Net book value	
At 31 December 2013	-
At 31 March 2013	-

On 30 April 2013 the Company's subsidiary, Perspective Pictures Limited, was dissolved. On the same date, the Company wrote off its investment in this company of £68,373,000. The investment was fully provided for so there was no effect on the profit and loss for the period.

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
Participating interest				
Silkplan Limited	England & Wales	Property Developer	33%	Ordinary £1 shares

The Company holds an investment in Silkplan Limited of £1 (Year ended 31 March 2013 - £1).

8. Debtors

	<i>31 December 2013 £000</i>	<i>31 March 2013 £000</i>
Amounts owed from related undertakings	14	14

Notes to the financial statements

9. Creditors: Amounts falling due within one year

	<i>31 December</i>	31 March
	2013	2013
	£000	£000
Amounts owed to related undertakings	11,376	43,968

10. Share capital

	<i>31 December</i>	31 March
	2013	2013
	£000	£000
Allotted, called up and fully paid		
54,311,000 Ordinary Shares shares of £1 each	54,311	54,311
54,310,000 Preference Shares shares of US\$0.0001 each	3	3
	54,314	54,314

The US Currency Preference Shares confers on the holders thereof the right to receive (in priority to any payment of dividend to the holders of any other class of shares of the Company), out of the profits of the Company which the Company may determine to distribute in respect of any financial year, a dividend equivalent to 99 per cent of the Distributable Profits divided by the number of US Dollar Shares in issue.

11. Reserves

	<i>Share premium account</i>	<i>Profit and loss account</i>
	£000	£000
At 1 April 2013	26,718	(124,986)
Profit for the financial period	-	32,592
At 31 December 2013	26,718	(92,394)

12. Reconciliation of movement in shareholders' deficit

	<i>31 December</i>	31 March
	2013	2013
	£000	£000
Opening shareholders' deficit	(43,954)	(43,839)
Profit/(loss) for the financial period/year	32,592	(115)
Closing shareholders' deficit	(11,362)	(43,954)

Notes to the financial statements

13. 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.

14. Ultimate parent undertaking and controlling party

At 31 December 2013 the Company's ultimate parent undertaking is 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, 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.