

Woodhouse Securities Limited

**Directors' report and financial
statements**

Registered number 2133343

31 March 2009



Contents

Directors' report	1
Statement of directors' responsibilities in respect of the Directors' Report and the financial statements	2
Independent auditors' report to the members of Woodhouse Securities Limited	3
Profit and loss account	4
Balance Sheet	5
Notes	6

Directors' report

The directors present their director's report and financial statements for the year ended 31 March 2009.

Principal activity

The principal activity of the Company was that of hotel proprietor until the sale of the hotels in July 1999. It now acts as an investment holding company.

Review of Results

The result for the year is presented on page 4 of the financial statements. The profit retained for the year is £nil (2008: £nil).

On 3 April 2009, the Company's top UK parent undertaking changed from Virgin Hotels Group Limited to Virgin Wings Limited.

Dividends

The directors do not recommend the payment of a dividend (2008: £nil).

Directors

The directors who served during the year were as follows:

J D R Brown
E J Broadfoot alternate S P W Clift (appointment revoked on 2 May 2008)

Disclosure of information to auditors

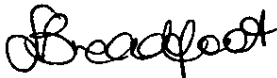
The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make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

Auditors

The members of the Company have passed elective resolutions in accordance with Sections 366A, 252 and 386 of the Companies Act 1985 dispensing with the previous statutory requirement of holding annual general meetings, laying accounts before the Company in general meetings and reappointing auditors annually.

The last resolution will lead to the continuing appointments of KPMG LLP as auditors of the Company until further notice.

By order of the board



E Broadfoot
Director

The School House
50 Brook Green
London W6 7RR

27 November 2009

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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to 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 judgments 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; and
- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 1985. They 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 auditors' report to the members of Woodhouse Securities Limited

We have audited the financial statements of Woodhouse Securities Limited for the year ended 31 March 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standard (UK Generally Accepted Accounting Practice) are set in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion, the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 March 2009 and of its result for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG LLP
Chartered Accountants
Registered Auditor

2009
8 Salisbury Square
London
EC4Y 8BB

Profit and loss account

For the year ended 31 March 2009

During the financial year and preceding year, the Company did not trade and received no income and incurred no expenditure.

Consequently, during those years the Company made neither a profit nor a loss.

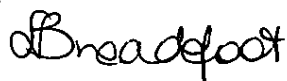
Balance sheet

As at 31 March 2009

	<i>Note</i>	2009 £	2008 £
Fixed assets			
Investments	6	29,757,988	29,757,988
Current assets			
Debtors	7	11,297,841	11,297,841
Creditors: amounts falling due within one year	8	(4,184,161)	(4,184,161)
Net current assets		7,113,680	7,113,680
Net assets		36,871,668	36,871,668
Capital and reserves			
Called up share capital	9	14,181,170	14,181,170
Share premium account	11	29,756,988	29,756,988
Profit and loss account	11	(7,066,490)	(7,066,490)
Equity shareholders' funds	10	36,871,668	36,871,668

The notes on pages 6 to 9 form part of these financial statements.

These financial statements were approved by the board of directors on 27 November 2009 and signed on its behalf by:



E Broadfoot
Director

Notes

(forming part of the financial statements)

1 Accounting policies

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

Basis of preparation

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

The Company is exempt by virtue of s228 of the Companies Act 1985 from the requirements to prepare group accounts. The financial statements present information about the Company as an individual undertaking and not about its group.

Under Financial Reporting Standard 1(Revised) the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking.

As the Company is a wholly owned subsidiary of Virgin Hotels Group Limited, the Company has taken advantage of the exemption contained within FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Virgin Hotels Group Limited, within which this company is included, can be obtained from the address given in note 13.

Taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

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.

Investments

Fixed assets investments are stated at cost less amount written off for impairment.

2 Profit on ordinary activities before taxation

The audit fee for the current and prior periods has been borne by the parent company Virgin Hotels Group Limited.

3 Staff numbers and costs

The Company did not employ any staff during the period (2008: *nil*).

4 Directors' emoluments

None of the directors received any remuneration from the Company during the financial period (2008: *nil*). Directors are paid by another company within the Virgin Hotels Group.

Notes (continued)

5 Tax on profit on ordinary activities

There is no current tax charge for the year (2008: £nil).

Factors that may affect future current and total tax charges

A potential deferred tax asset totalling £102,149 (2008: £102,149) in respect of carried forward losses has not been recognised, as based on current forecasts it is not expected that this asset can be utilised to offset taxable profits in the foreseeable future.

6 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At beginning and end of year	29,757,988
	<hr/>
Amounts written off/provided against	
At beginning and end of year	-
	<hr/>
Net Book Value	
At 31 March 2009 and 31 March 2008	29,757,988
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The principal companies in which the Company's interest at the year end is more than 20%, all of which are included in the consolidated financial statements of Virgin Hotels Group Limited are as follows:

	Country of incorporation	Principal activity	Description of share held	Percentage of shares held
Subsidiary undertakings:				
VHGL2 Limited	British Virgin Islands	Investment holding company	Ordinary \$ shares	100

7 Debtors

	2009 £	2008 £
Amounts due from group undertakings	11,297,841	11,297,841
	<hr/>	<hr/>

Notes (continued)

8 Creditors

	2009 £	2008 £
Amounts due to group undertakings	4,184,161	4,184,161

9 Share capital

	2009 £	2008 £
<i>Authorised:</i> 20,000,000 (2008: 20,000,000) Ordinary shares of £1 (2008: £1) each	20,000,000	20,000,000
<i>Issued, called up and fully paid:</i> 14,181,170 (2008: 14,181,170) Ordinary shares of £1 (2008: £1) each	14,181,170	14,181,170

10 Reconciliation of movements in equity shareholders' funds

	2009 £	2008 £
Shareholders' funds at the beginning and end of the year	36,871,668	36,871,668

11 Share premium and reserves

	Share premium account £	Profit and loss account £
At beginning and end of the year	29,756,988	(7,066,490)

Notes (continued)

12 Related party disclosure

At 31 March 2009 the Company's ultimate parent company was Virgin Group Holdings Limited, whose principal shareholders are 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 Hotels Group Limited, the Company has taken advantage of the exemption under FRS 8: Related Party Disclosures, which enables it to exclude disclosure of transactions with Virgin Hotels Group Limited and its subsidiaries.

13 Ultimate parent company and parent undertaking of larger group of which the Company is a member

As at 31 March 2009 the Company is a subsidiary undertaking of Virgin Group Holdings Limited, a company incorporated in the British Virgin Islands.

The largest group in which the results of the Company are consolidated is that headed by Virgin Group Holdings Limited, a company incorporated in the British Virgin Islands. The smallest group in which the results of the Company are consolidated is that headed by Virgin Hotels Group Limited. Virgin Hotels Group Limited is registered in England and Wales and its financial statements can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.