

## **VA Cargo Limited**

### **Annual report and financial statements**

31 December 2017

Registered number: 02645535





## **Annual report and financial statements**

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## Strategic report

Registered number: 02645535

The directors present their annual report and the audited financial statements of VA Cargo Limited ("the Company") for the year ended 31 December 2017.

### Principal activities

The principal activity of the Company is the management of air freight operations (and all matters relating thereto, including selling and ground handling) on behalf of third parties.

### Business review and key performance indicators

The Company's trading results are stated on page 8 of the financial statements. The revenue increased 51% mainly due to the addition of new routes from Melbourne to LA and Hong Kong, which has strengthened our position in three key markets. This is in addition to strong performance on rest of world routes.

Revenue for the year was £23,081,600 (*prior year: £15,294,147*). The profit before tax was £574,879 (*prior year: £380,788*) and the profit after tax was £927,199 (*prior year, loss £2,419*).

Management uses a number of key performance indicators (KPIs) to manage the Company; the key metrics used in addition to revenue is freight tonnage, which has increased by 37% year on year due to the start-up of the Melbourne routes.

### Risk review

#### Principal risks and uncertainties

The highly regulated and commercially competitive environment, together with operational complexity, leaves the Company exposed to a number of significant risks. The focus remains on mitigating these risks at all levels in the business, although many remain outside the Company's control such as government regulation, taxes, terrorism, adverse weather, pandemics and availability of funding from the financial markets.

The directors believe that the risks and uncertainties described below have the most significant impact on the Company's long-term performance.

#### Business and operational risks

##### Brand reputation

The strong reputation and loyalty engendered by the Virgin Atlantic brand is a core part of the value of the business. Any damage to the brand caused by any single event or series of events could materially impact customer loyalty and so adversely affect our business.

The Company regularly monitors customer satisfaction through monthly customer surveys, alongside on-going research and development of the product, in order to mitigate this risk. The Company allocates substantial resources to safety, operational integrity, on-board product and new aircraft to maintain its strong brand position.

##### Economic conditions

The Company's operations are particularly sensitive to economic conditions in the markets in which it operates. A global economic slowdown may adversely affect the demand for cargo services which could result in a material adverse impact on the Company's financial performance.

The Company produces a regular revenue forecast which is reviewed by management and appropriate actions taken.



## Strategic report (continued)

Registered number: 02645535

### Risk review (continued)

#### Business and operational risks (continued)

##### Government intervention

Regulation of the aviation industry is increasing and covers many of the Company's activities including safety, security, route flying rights, airport slot access, environmental controls and government taxes and levies. The ability to both comply with and influence any changes in these regulations is critical to maintaining operational and financial performance.

The UK's withdrawal from the European Union is expected to take place on 29 March 2019, although both the UK Government and EU are seeking to agree an implementation period of approximately two years, most likely mirroring the UK's existing terms of membership. While there is a risk that no transition period is agreed, this is mitigated through our support for UK Government's negotiations to agree new bi-lateral Open Skies agreements with our existing markets such as the US, to take immediate effect upon the UK's withdrawal, either in 2019 or post-transition in 2020/21. We expect the UK Government to make further announcements on their progress in the latter half of 2018.

The Company has also identified additional risks arising from the UK's withdrawal from the EU. This includes the status of the UK's membership of the European Air Safety Agency (EASA), and tariff and non-tariff barriers impacting upon our customs operations and procurement. We continue to engage the UK Government to understand how its negotiating objectives are expected to impact upon the risks identified and to shape their understanding of these impacts upon The Company. The agreement between the UK Government and EU in December 2017 on the terms of withdrawal, and the current negotiating objectives of both the UK and EU, indicates that these risks are likely to reduce over time, subject to final agreement on the terms of withdrawal in H2 2018. We are however preparing strategies to mitigate these risks should the negotiating objectives of the UK Government or EU change.

Globally, we continue to assess political risk and work with governments across the world to limit any potential regulatory impact on our operations.

##### Safety, terrorism and security incidents

The Company is impacted by the effect of terrorism on the aviation industry; as a result the Company ensures that the safety of cargo, crew and staff is at the heart of its business. Failure to respond to terrorism or security incidents may adversely impact operations and financial performance. The Company adopts a holistic approach to security, with the Corporate Security team having overall responsibility for security matters linked to aviation, border security, cargo, facilities, IT, personnel and asset protection.

To ensure the robustness of its security regime, the Company operates a self-inspection and test programme. Joint audits and inspections are also conducted with regulators. Regulated compliance performance is monitored by way of a dedicated scorecard reviewed at the Safety and Security Review Board.

In view of the on-going targeting by terrorist of civil aviation and the potential impacts of global geopolitical events, much focus is placed on threat monitoring and assessment to ensure the Company has the most current and accurate data to make informed judgements about the security of our human and physical assets.

##### Failure of a critical IT system

The Company is dependent on IT systems for most of the principal business processes. The failure of a key system through either internal or external threat may cause significant disruption to operations or result in lost revenue. System controls, disaster recovery and business continuity arrangements exist to mitigate the risk of a critical system failure.

##### Key supplier risk

The Company is dependent on suppliers for some principal business processes. The failure of a key supplier to deliver contractual obligations may cause significant disruption to operations. A close relationship is maintained with key suppliers in order to ensure awareness of any potential supply chain disruption.

#### Financial risk management

The directors are responsible for setting financial risk management policies and objectives, and approve the parameters within which the various aspects of financial risk management are operated.

The Company is a subsidiary of the Virgin Atlantic Limited ("Group"). The Group's Fuel and Foreign Currency Risk Management policy, which has been approved by the directors, outlines the Group's approach to corporate and asset financing, interest rate risk, fuel price risk, foreign exchange risk and cash and liquidity management. The directors have delegated powers for treasury risk management to the Financial Risk Committee. This Committee ensures that the treasury policies and objectives approved by the directors are fully implemented.



## **Strategic report (*continued*)**

Registered number: 02645535

### **Compliance and regulatory**

#### **Compliance with competition, anti-bribery and corruption law**

The Group is exposed to the risk of unethical behaviour by individual employees or groups of employees resulting in fines or losses to the Group. To mitigate this risk we have comprehensive training schemes and compliance protocol on place to educate all appropriate staff.

#### **Compliance with regulatory authorities**

The Group is exposed to regulation across its network, including the Civil Aviation Authority (CAA). The CAA authorises the Group to continue its activities following assessments safety, ownership and control and financial fitness criteria, the broad framework of which is available via the CAA website ([www.caa.co.uk](http://www.caa.co.uk)).

The strategic report was approved by the Board of Directors on 4 September 2018 and signed on its behalf by



**Ian de Sousa**  
Company Secretary

**Registered office:**  
Company Secretariat  
The VHQ, Fleming Way  
Crawley, West Sussex  
RH10 9DF



## Directors' report

**Registered number: 02645535**

### Directors and directors' interests

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

Craig Kreeger  
Shai Weiss  
Tom Mackay *Appointed (1 March 2017)*

### Dividends

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

### Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor 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 they ought to have taken as a director in order to make themselves 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 4 September 2018 and signed on its behalf by:



**Ian de Sousa**  
Company Secretary

**Registered office:**  
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 annual 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 Company 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 their profit or loss 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 group and parent 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 group or the parent 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 parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its 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 group and to prevent and detect fraud and other irregularities.





## **Independent auditors' report to the members of VA Cargo Limited**

We have audited the financial statements of VA Cargo Limited ("the company") for the year ended 31 December 2017, which comprise the Income statement, Statement of financial position and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Principles), including FRS 102 (*The Financial Reporting Standard applicable in the UK and Republic of Ireland*).

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 UK accounting standards, including 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, and the provisions available for small entities. 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 that report 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 prepare the financial statements in accordance with the small companies regime, take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report these respects.





## **Independent auditors' report to the members of VA Cargo Limited (continued)**

### **Directors' responsibilities**

As explained more fully in their statement, 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).

### **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.

**Mark Wrigglesworth (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
KPMG LLP  
15 Canada Square  
London  
E14 5GL  
United Kingdom

4 September 2018



## Profit and loss and total comprehensive income

*For the year ended 31 December 2017*

	Note	For the year ended 31 December 2017 £	For the year ended 31 December 2016 £
<b>Revenue</b>		<b>23,081,600</b>	15,294,147
Cost of sales		(22,506,721)	(14,913,368)
<b>Gross profit</b>		<b>574,879</b>	380,779
Administrative expenses		-	9
<b>Profit before taxation</b>	6	<b>574,879</b>	380,788
Tax on profit	7	352,320	(383,207)
<b>Profit/(loss) for the financial year</b>		<b>927,199</b>	(2,419)

There are no recognised gains or losses other than the profit/(loss) for the current or prior financial year. The profit for the year arises from continuing activities.

The notes on pages 11 to 15 form part of these financial statements.



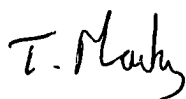
## Statement of financial position

As at 31 December 2017

Registered number: 02645535

	Note	As at 31 December 2016 £	As at 31 December 2016 £
<b>Current assets</b>			
Trade and other receivables	8	8,431,275	7,665,689
		<u>8,431,275</u>	<u>7,665,689</u>
<b>Current liabilities</b>			
Trade and other payables	9	(1,015,508)	(1,177,121)
		<u>7,415,767</u>	<u>6,488,568</u>
<b>Net assets</b>			
<b>Capital and reserves</b>			
Called up share capital	10	2	2
Retained earnings		7,415,765	6,488,566
		<u>7,415,767</u>	<u>6,488,568</u>

These financial statements were approved by the Board of Directors on 4 September 2018 and were signed on its behalf by:



**Tom Mackay**  
Director

The notes on pages 11 to 15 form part of these financial statements.



## Statement of changes in equity

*As at 31 December 2017*

	Share capital	Retained earnings	Total
	£	£	£
Balance at 1 January 2016	2	6,490,985	<b>6,490,987</b>
(Loss) for the year	-	(2,419)	<b>(2,419)</b>
<b>Balance at 31 December 2016</b>	<b>2</b>	<b>6,488,566</b>	<b>6,488,568</b>
Balance at 1 January 2017	2	6,488,566	<b>6,488,568</b>
Profit for the year	-	927,199	<b>927,199</b>
<b>Balance at 31 December 2017</b>	<b>2</b>	<b>7,415,765</b>	<b>7,415,767</b>

The notes on pages 11 to 15 form part of these financial statements.



## Notes to the financial statements

### 1 General information

VA Cargo Limited principally acts in managing air freight operations on behalf of third parties and there have been no changes in business in the current year.

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.

The principal accounting policies adopted by the Group and the company are set out in note 3.

### 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 the going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards.

The VA Cargo Limited board of directors having regard to the principle risks and uncertainties which could impact the business consider that the preparation of the financial statements on a going concern basis remains appropriate.

Under Financial Reporting Standard 102 (paragraph 1.12), the Company has taken the exemption from the requirement to prepare a cash flow statement. The Company's cash flows are included within the consolidated cash flow statement on page 16 of its parent company's (Virgin Atlantic Airways Limited) financial statements.

#### **(b) Revenue recognition**

Revenue arises entirely from the provision of cargo services in respect of flights operated in the accounting period.

#### **(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.



## Notes to the financial statements *(continued)*

### **(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.

### **4 Employees**

The Company did not employ any staff during the year ended 31 December 2017 (*prior year: nil*).

### **5 Emoluments of directors**

The directors did not receive any emoluments for their services to the Company in the year ended 31 December 2017 (*2016: £nil*). The following emoluments were received by the directors for their services for another Virgin Atlantic Limited Group company, which bore the costs of these emoluments.

	For the year ended 31 December 2017	For the year ended 31 December 2016*
	£	£
<b>Total emoluments</b>		
Aggregate emoluments	2,270,000	1,755,000
Company contributions to money purchase pension schemes	153,000	120,000
	<u>2,423,000</u>	<u>1,875,000</u>
<b>Highest paid Director</b>		
Aggregate emoluments and other benefits	1,172,000	1,027,000
Company contributions to money purchase pension schemes	62,000	79,000
	<u>1,234,000</u>	<u>1,106,000</u>

\*The 2016 comparatives have been restated to include amounts for services rendered in 2016.

The directors are considered to be the key management personnel of the Group.



## Notes to the financial statements *(continued)*

### 6 Profit before taxation

	For the Year ended 31 December 2017 £	For the Year ended 31 December 2016 £
<b><i>Profit before taxation is stated after charging:</i></b>		
Management charge	1,615,712	1,151,172

Fees payable to the Company's auditor (£4,000, 2016: £4,170) 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 VA Cargo 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.

### 7 Income tax

#### Tax expense included in profit/(loss)

	For the year ended 31 December 2017 £	For the year ended 31 December 2016 £
<b><i>Current tax</i></b>		
Amounts payable in respect of group relief	110,645	-
Adjustments in relation to prior years	(410,094)	82,607
Overseas tax paid	-	300,600
<b><i>Current tax(credit)/charge</i></b>	<b>(299,449)</b>	<b>383,207</b>
<b><i>Deferred tax</i></b>		
Origination and reversal of timing differences	(52,871)	-
<b><i>Deferred tax(credit)/charge</i></b>	<b>(52,871)</b>	<b>-</b>
<b><i>Total tax (credit)/charge</i></b>	<b>(352,320)</b>	<b>383,207</b>

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



## Notes to the financial statements *(continued)*

### 7 Income tax *(continued)*

#### Reconciliation of tax (credit)/charge

The standard rate of UK corporation tax for the year is 19.25% (2016: 20.00%). A tax credit has arisen in the year which is primarily driven by an over-provision of Australian Tax in 2016 as well as non-recognition of tax payments made in that same year. The actual current tax charge for the period differs from the computed by applying the standard tax rate to the profit on ordinary activities before tax as reconciled below:

	For the year ended 31 December 2017 £	For the year ended 31 December 2016 £
Profit before taxation	574,879	380,788
Tax at the standard rate at 19.25 % ( <i>prior year: 20%</i> )	110,645	76,158
<b>Factors affecting the charge for the year:</b>		
Adjustments in relation to prior years	(410,094)	82,607
Deferred tax recognised on overseas losses	(52,871)	-
Deferred tax not recognised	-	224,442
<b>Total tax (credit)/charge</b>	<b>(352,320)</b>	<b>383,207</b>

A reduction in the UK corporation tax rate to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. 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. This includes changes in respect of UK legislation to restrict the utilisation of brought forward losses, which apply from 1 April 2017. The restriction would apply to VA Cargo Limited as a member of the Virgin Atlantic Limited Group. As well as restricting the use of brought forward losses, the new rules also give more flexibility for the use of losses incurred after 1 April 2017.

### 8 Current assets: Trade and other receivables

	As at 31 December 2017 £	As at 31 December 2016 £
Amounts owed by group undertakings	8,218,631	7,665,689
Corporation tax	159,773	-
Deferred tax	52,871	-
	<b>8,431,275</b>	<b>7,665,689</b>

Amounts owed by group undertakings include trading balances with other Virgin Atlantic Limited group companies.

The amounts provided for deferred taxation at current tax rates are set out below:

	As at 31 December 2017 £	As at 31 December 2016 £
Tax credit and loss carry forward	52,871	-
	<b>52,871</b>	<b>-</b>



## Notes to the financial statements *(continued)*

### 9 Current liabilities: Trade and other payables

	As at 31 December 2017 £	As at 31 December 2016 £
Group relief payable	1,015,508	904,863
Corporation tax	-	272,258
	<u>1,015,508</u>	<u>1,177,121</u>

### 10 Share capital

	As at 31 December 2017 £	As at 31 December 2016 £
<b>Allotted and fully paid</b>		
2 ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

### 11 Related party transactions

As at 31 December 2017, 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, being a wholly owned subsidiary of Virgin Atlantic Limited, is exempt from disclosing related party transactions with wholly owned members of the Group.

There are no other material transactions and balances with related parties which are required to be disclosed.

### 12 Ultimate holding

The immediate parent undertaking is Virgin Atlantic Airways Limited.

As at 31 December 2017, 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 2017, 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.

In July 2017, the Directors announced that subject to regulatory approval, 31% of shares in Virgin Atlantic Limited, the parent company of VA Cargo Limited would be sold to Air France-KLM S.A, a company registered in France. As at the balance sheet date, the agreement had not been finalised.

As at 31 December 2017, 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