

Virgin Limobike Limited

**Directors' Report and Financial
Statements**

Registered Number 2733491

31 March 2010

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Directors' Report

The directors present the report and the audited financial statements for the year ended 31 March 2010

Principal activities

The principal activity of the Company is the provision of limousine motorcycle services

Business review

The results for the year are set out on page 4 of the financial statements and the loss for the year of £110,751 (2009 loss of £91,970) which has been transferred to reserves

The company has net liabilities. However, as detailed in note 1 to the financial statements a parent undertaking, Virgin Group 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.

Furthermore, no significant changes are expected in relation to the Company's income streams or cost base at this present time, although the directors continue to seek ways of improving the financial position of the Company, particularly around debt collection. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

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.

Proposed dividend

The directors do not recommend the payment of a dividend (2009 £nil)

Directors

The directors of the Company during the year and since were as follows

C B Mort	
C M P Coquebert de Neuville	(appointed 7 May 2010)
J E M Phillips	(resigned 10 November 2009)
G D McCallum (alternate to J E M Phillips)	(resigned 10 November 2009)
A T Hindle	(appointed 3 April 2009 and resigned 28 October 2009)
J P Moorhead	(resigned 3 April 2009)
K J Rodie	(appointed 28 October 2009 and resigned 22 January 2010)

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

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.

By order of the board


B A R Gerrard
Company Secretary

The School House
50 Brook Green
London
W6 7RR
8 October 2010

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)

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 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 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 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 Virgin Limobike Limited

We have audited the financial statements of Virgin Limobike Limited for the year ended 31 March 2010 set out on pages 4 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 auditors' 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

As explained more fully in the Directors' Responsibilities Statement set out 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 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 (APB'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 APB's web-site at www.frc.org.uk/apb/scope/UKNP.

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 March 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with UK 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 year 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
- 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.



H Green (Senior Statutory Auditor),
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

KPMG LLP
15 Canada Square
London
E14 5GL

14 October 2010

Profit and Loss Account
for the year ended 31 March 2010

	<i>Note</i>	Year ended 31 March 2010 £	Year ended 31 March 2009 £
Turnover		335,432	353,888
Cost of sales		(357,002)	(351,839)
Gross (loss) / profit		(21,570)	2,049
Administrative expenses		(85,144)	(67,939)
Operating loss		(106,714)	(65,890)
Interest receivable and similar income	5	345	1,199
Interest payable and similar charges	6	(4,382)	(14,678)
Loss on ordinary activities before taxation	2	(110,751)	(79,369)
Taxation	7	-	(12,601)
Loss for the year		(110,751)	(91,970)

There were no recognised gains or losses in the current or preceding years other than those shown above, which were derived from continuing operations, consequently a statement of total recognised gains and losses has not been presented

The notes on pages 6 to 12 form part of these financial statements

Balance Sheet
at 31 March 2010

	<i>Note</i>	2010 £	2009 £
Fixed assets			
Tangible assets	8	251	395
Current assets			
Debtors	9	103,415	76,866
Cash at bank and in hand		2,378	14,892
		<u>105,793</u>	<u>91,758</u>
Creditors, amounts falling due within one year	10	(501,214)	(376,572)
Net current liabilities		<u>(395,421)</u>	<u>(284,814)</u>
Net liabilities		<u>(395,170)</u>	<u>(284,419)</u>
Capital and reserves			
Called up share capital	11	2	2
Profit and loss account	12	(395,172)	(284,421)
Shareholders' deficit	13	<u>(395,170)</u>	<u>(284,419)</u>

The notes on pages 6 to 12 form part of these financial statements

These financial statements were approved by the board of directors on 8 October 2010 and were signed on its behalf by



C M P Coquebert de Neuville
Director

Notes

1 Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

The amendment to Financial Reporting Standard ('FRS') 8 Related Parties Disclosure has been adopted in these financial statements for the first time. The amendment has the effect that only wholly-owned subsidiaries are exempt from disclosure of intra-group transactions and there is no longer a disclosure exemption available in parent company's own financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost accounting rules 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 Group 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.

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated residual economic lives as follows:

Office equipment - 25% per annum

Post-retirement benefits

The Company is a member of a defined contribution pension scheme, operated by Virgin Management Limited, a related undertaking. The assets of the scheme are held separately from those of the group in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

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.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of services to customers.

Notes (continued)

2 Loss on ordinary activities before taxation

	Year ended 31 March 2010 £	Year ended 31 March 2009 £
<i>Loss on ordinary activities before taxation is stated after charging</i>		
Auditors' remuneration		
Audit of these financial statements	8,000	8,500
Depreciation on tangible fixed assets owned	144	143
	<u> </u>	<u> </u>

3 Remuneration of directors

	Year ended 31 March 2010 £	Year ended 31 March 2009 £
Director's emoluments	45,644	50,506
Company contributions to money purchase pension schemes	1,957	1,935
	<u> </u>	<u> </u>
	47,601	52,441
	<u> </u>	<u> </u>

4 Staff costs

The average number of persons employed by the company, analysed by category, was as follows

	Number of employees	
	Year ended 31 March 2010	Year ended 31 March 2009
Administration and management	1	1
Operations	6	6
	<u> </u>	<u> </u>
	7	7
	<u> </u>	<u> </u>

Notes (continued)

4 Staff costs (continued)

The aggregate payroll costs were as follows

	Year ended 31 March 2010 £	Year ended 31 March 2009 £
Wages and salaries	251,275	240,781
Social security costs	28,136	26,957
Other pension costs	4,099	4,053
	<u>283,510</u>	<u>271,791</u>

5 Interest receivable and similar income

	Year ended 31 March 2010 £	Year ended 31 March 2009 £
Bank interest	<u>345</u>	<u>1,199</u>

6 Interest payable and similar charges

	Year ended 31 March 2010 £	Year ended 31 March 2009 £
On group loans	<u>4,382</u>	<u>14,678</u>

Notes (continued)

7 Taxation

Analysis of charge in year

	Year ended 31 March 2010 £	Year ended 31 March 2009 £
UK - adjustments in respect of prior periods	-	12,601
Total current tax	-	12,601

Factors affecting the tax charge for the current year

The current tax charge for the year is higher (2009 higher) than the standard rate of corporation tax in the UK of 28% (2009 28%). The differences are explained below

	Year ended 31 March 2010 £	Year ended 31 March 2009 £
<i>Current tax reconciliation</i>		
Loss on ordinary activities before tax	(110,751)	(79,369)
Current tax at 28% (2009 28%)	(31,010)	(22,223)
<i>Effects of</i>		
Expenses not deductible for tax purposes	1,412	4,522
Depreciation in excess of capital allowances	40	40
UK tax losses not utilised or not recognised	29,634	17,489
Other timing differences	(76)	172
Adjustments in respect of prior periods	-	12,601
Total current tax charge (see above)	-	12,601

Details of the Company's total recognised and unrecognised deferred tax at the year end (and prior year end) are shown in the table 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 likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted

	2010 Recognised £	2010 Unrecognised £	2009 Recognised £	2009 Unrecognised £
Excess of capital allowances over depreciation	-	(596)	-	(556)
Other timing differences	-	(96)	-	(172)
UK tax losses	-	(192,226)	-	(162,619)
	-	(192,918)	-	(163,347)

Notes (continued)

8 Tangible fixed assets

	Office equipment £
Cost	
At beginning and end of year	2,439
Accumulated depreciation	
At beginning of year	2,044
Charge for year	144
At end of year	2,188
Net book value	
At 31 March 2010	251
At 31 March 2009	395

9 Debtors

	2010 £	2009 £
Trade debtors	86,057	60,607
Amounts owed by related undertakings	14,373	9,173
Prepayments and accrued income	2,985	5,009
Other debtors	-	2,077
	103,415	76,866

10 Creditors: amounts falling due within one year

	2010 £	2009 £
Trade creditors	2,998	2,858
Amounts owed to related undertakings	451,123	334,283
Other taxes and social security	25,958	7,315
Accruals and deferred income	21,135	32,116
	501,214	376,572

Notes (continued)

11 Called up share capital

	2010 £	2009 £
<i>Allotted, called up and fully paid</i>		
2 Ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

12 Reserves

	Profit and loss account £
At beginning of year	(284,421)
Loss for the year	(110,751)
	<u>(395,172)</u>
At end of year	<u>(395,172)</u>

13 Reconciliation of equity shareholders' deficit

	2010 £	2009 £
Opening shareholders' funds	(284,419)	(192,449)
Loss for the financial year	(110,751)	(91,970)
	<u>(395,170)</u>	<u>(284,419)</u>
Closing shareholders' deficit	<u>(395,170)</u>	<u>(284,419)</u>

14 Pension scheme

The company operates a defined contribution scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £4,099 (2009 £4,053).

15 Contingent liabilities

The Company is party to a group overdraft facility of £240 million (2009 £240 million), all of which is repayable on demand.

Notes (continued)

16 Related party disclosures

At 31 March 2010 the Company's ultimate parent undertaking 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 FRS 8.

	Related undertakings	
	2010	2009
	£	£
Debtors	14,373	9,173
Creditors	451,123	334,283
Sales	25,441	25,956
Purchases	63,720	36,627
Interest payable	4,382	14,678

The related undertakings with which the Company transacted during the year were Barfair Limited, Virgin Atlantic Limited, Virgin Enterprises Limited, Virgin Galactic Limited, Virgin Holdings Limited, Virgin Hotels Limited, Virgin Management Limited, Virgin Management SA, Virgin Money Management Services Limited and West Coast Trains Limited.

17 Ultimate parent company

The ultimate parent undertaking at 31 March 2010 was Virgin Group Holdings Limited, a company incorporated in the British Virgin Islands.