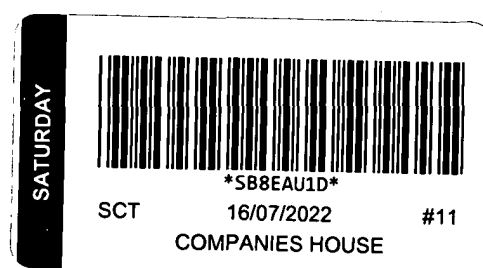


# **Virgin Money Giving Limited**

## **Annual Report and Accounts**

### **for the period ended 31 March 2022**



Virgin Money Giving Limited  
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Virgin Money Giving Limited  
**Company information**

**DIRECTORS**

Yvonne Sharp (appointed 9 December 2021)  
Gergely Zaborszky (appointed 9 December 2021)  
Joanna Barnett (resigned 9 December 2021)  
James Hawker (resigned 9 December 2021)  
Helen Page (resigned 9 December 2021)  
Emma Tottenham (resigned 30 September 2021)

**COMPANY SECRETARY**

Lorna McMillan

**PATRON**

Holly Branson

**COMPANY NUMBER**

02733492

**REGISTERED OFFICE**

Jubilee House  
Gosforth  
Newcastle-upon-Tyne  
NE3 4PL

**INDEPENDENT AUDITORS**

Ernst & Young LLP  
Atria One  
144 Morrison Street  
Edinburgh  
EH3 8EX

## Virgin Money Giving Limited

# Strategic report

The Directors of Virgin Money Giving Limited ('Virgin Money Giving' or 'the Company') present their Strategic report for the period ended 31 March 2022.

### Principal activities and business overview

Virgin Money Giving is a wholly-owned subsidiary of Virgin Money Holdings (UK) PLC. The Company's ultimate parent company is Virgin Money UK PLC (Virgin Money), which, together with its subsidiaries and controlled entities, is referred to as the 'Group' in this Annual Report.

On 26 August 2021, Virgin Money announced that Virgin Money Giving would close for donations on 30 November 2021, following the final London Marathon with Virgin Money as sponsor. The website fully closed on 18 February 2022 and trading has ceased. The Company is expected to become dormant in the year to 31 March 2023.

Virgin Money Giving was launched in 2009 to support Virgin Money's new sponsorship of the London Marathon, at a time when the online fundraising market was dominated by a very small number of providers, with high costs for charities and donors. Charities and fundraisers now have a much wider choice of online giving platforms and pay substantially lower fees.

Virgin Money undertook a strategic review of Virgin Money Giving ahead of the bank's final sponsorship of the London Marathon in October 2021. Given the significant investment required in the service for it to remain competitive, and without the brand exposure provided by the London Marathon, Virgin Money decided to wind down the platform after the 2021 London Marathon.

Virgin Money Giving continued to offer a full service for charities and fundraisers until the service closed for donations on 30 November 2021. It supported charities to find alternative platforms where needed, although many charities registered on Virgin Money Giving were already registered with alternative fundraising platforms.

With effect from 2 November 2021, the financial year end of the Company was changed from 30 September to 31 March in order to include the last few months trading activity within this extended accounting period. This report covers the 18 month period to 31 March 2022. In the prior period Annual Report, the financial period end of the Company had been changed and shortened from 31 December to 30 September to align with the year-end of its ultimate parent company. Accordingly, the comparative period in this report is the 9 months to 30 September 2020.

Virgin Money Giving was launched with the aim of helping fundraisers and charities raise as much as possible for good causes. As a not-for-profit business within Virgin Money, Virgin Money Giving was an embodiment of the Group's Purpose, 'Making you happier about money' and a clear demonstration of business acting as a force for good.

Since its launch in October 2009, Virgin Money Giving had over 20,000 UK charities registered with its service and 1.1 million fundraisers raised over £1bn to support their work in the UK and overseas. £110.5m has been raised for charities in the 18 months to 31 March 2022 alone, despite the continued impact of the COVID-19 pandemic on UK fundraising throughout the period, and the closure announcement.

Virgin Money Giving was the official fundraising partner of many leading UK events including the Virgin Money London Marathon, Tommy's Splashathon and the Royal Parks Half Marathon. The ongoing uncertainty due to COVID-19 significantly impacted mass participation events throughout the period. The Virgin Money London Marathon 41st Race was deferred until October 2021 and included a virtual element in addition to the traditional London in person event, following the success of the virtual event for the 40<sup>th</sup> Race in October 2020. This raised £19m, the highest amount raised by London Marathon to date on the Virgin Money Giving website. Other event highlights during the period were the Royal Parks Half Marathon, The Great North Run, the 2021 Deloitte Race across Britain, Captain Tom 100 and Macmillan Virtual events. Major charities supported raising in excess of £1m of donations were Macmillan Cancer Support, MIND, NHS Charities Together and Children with Cancer UK.

## Virgin Money Giving Limited

# Strategic report

In the period, up until the closure announcement, the business continued to focus on supporting the charitable sector through COVID-19 by enhancing functionality, adding new digital income opportunities, providing market analysis and a variety of support tools. Subsequently the business has focussed on the orderly wind down of activities and provision of support to charities, fundraisers and donors to obtain reporting prior to the closure of the website.

The further development of the partnerships with Kindred, World of Books and a new partnership with Obituaries Online offered a unique new way for people to donate to charities across the UK.

Given the importance of online donation portals to the UK charity sector, Virgin Money Giving fully supported the need for digital providers to be well-governed, safe and transparent. A programme of work was undertaken on a continuous basis to ensure that Virgin Money Giving complied with the Payment Services Directive (PSD2), General Data Protection Regulation (GDPR), the Fundraising Regulator and cyber security best practice requirements. Virgin Money Giving pricing was fair, transparent and offered a low cost, high quality option for both charities and their donors.

### Business performance

The key performance indicators for the Company for the period are shown in the table below:

| Key business performance indicators                | 18 months to<br>31 Mar 2022 | 9 months to<br>30 Sep 2020 |
|--|-----------------------------|----------------------------|
| Value of donations (£ million, excluding Gift Aid) | 94.7                        | 71.4                       |
| Value of donations (£ million, including Gift Aid) | 110.5                       | 83.7                       |
| Total number of registered charities               | 20,970                      | 20,007                     |

Despite the impact of COVID-19 and the deferral of key events including the Virgin Money London Marathon, the Company continued to demonstrate solid business performance in the backdrop of a constricted charitable fundraising sector and significant uncertainty in relation to mass participation events. Gift Aid up-take remained healthy during the period.

### Financial performance

The Company does not exist to make a profit for its shareholders. A summary of financial performance is presented below:

| Key financial performance indicators  | 18 months to<br>31 Mar 2022<br>£'000 | 9 months to<br>30 Sep 2020<br>£'000 |
|---------------------------------------|--------------------------------------|-------------------------------------|
| Revenue                               | 4,316                                | 3,315                               |
| Operating expenses                    | (4,316)                              | (3,315)                             |
| Statutory profit before and after tax | -                                    | -                                   |

# Virgin Money Giving Limited

## Strategic report

### Principal risks

Following the closure of the website in February 2022, the Company has not actively traded and therefore has no principal or emerging risk exposures as at 31 March 2022. The Company was reliant on its ultimate parent, Virgin Money UK PLC, for the provision of resource, equipment and services which enabled its critical operational functions to be delivered.

The following paragraphs explain the most significant risks the Company was exposed to prior to the cessation of trade, and how they were managed.

- **Compliance risk:** the risk that the Company fails to comply with its regulatory and legislative requirements with the potential that the Company:
  - is subject to legal or regulatory sanction;
  - fails to ensure personal data is appropriately safeguarded;
  - suffers reputational damage;
  - does not comply with all HMRC requirements for Gift Aid; or
  - is used for the purposes of financial crime.

Appropriate controls and governance were in place to ensure the safe handling of donor and charity data and monies. Virgin Money's Risk function supported the Company to develop policies, deliver training and perform monitoring checks to ensure compliance with regulatory requirements.

- **Operational risk:** the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. A range of indicators covering the Company's operations were reviewed by management and the Board regularly throughout the period. All key processes were subject to periodic reviews by Virgin Money's Risk and Internal Audit teams to ensure that appropriate controls were in place and operating effectively.
- **Outsourcing risk:** the risk that the Company fails in its responsibility to oversee and control third parties on which it is reliant for the performance of critical operational functions. Failure to meet required standards may result in loss of income or reputational damage. The Company managed this risk by performing due diligence on all third party providers and, following appointment, by performing regular monitoring of third parties against agreed service levels. Where necessary the Company actively engaged with partners to oversee improvements to operational services. Additional monitoring and risk assessments were in place to mitigate the heightened risks to critical operational processes performed by third parties, which arose in the challenging COVID-19 environment.

Impacts of COVID-19 and actions taken in response were managed by the Directors, with support and guidance from the Company's ultimate parent, Virgin Money UK PLC.

This report was approved by the Board on 8 July 2022 and signed on its behalf by:



**Yvonne Sharp**  
Director  
Virgin Money Giving Limited  
Registered No.02733492

## **Virgin Money Giving Limited**

# **Directors' report**

The Directors present the Annual Report and Accounts for the period ended 31 March 2022.

### **Not-for-profit status**

The Company operated as a not-for-profit business.

### **Dividends**

Under the Company's Memorandum and Articles of Association, the Company is restricted from paying dividends of more than £100 per year. No dividends were declared or paid in the period (9 months to 30 September 2020: £nil). The Directors do not recommend a final dividend in respect of the period ended 31 March 2022.

### **Directors**

The current composition of the Board of Directors, together with details of appointments and resignations (where applicable) up to the date of this report, is shown on page 1. This information is incorporated into the Directors' report by reference.

### **Going concern**

The Directors have made an assessment of the Company's ability to continue as a going concern and given there are no immediate plans to liquidate the Company, are satisfied that it has the resources to continue in business for at least 12 months from the approval of the financial statements.

The Company's use of the going concern basis for preparation of the accounts is discussed in note 1.3.

### **Future developments**

Information about future developments of the Company can be found in the Strategic report.

### **Financial risk management objectives and policies**

Information in relation to financial reporting and financial risk management objectives and policies in relation to the use of financial instruments can be found in note 13 to the financial statements.

### **Events after the balance sheet date**

There have been no significant events between 31 March 2022 and the date of approval of the Annual Report and Accounts which would require a change to or additional disclosure in the financial statements.

### **Research and development costs**

The Company did not undertake formal research and development activities during the period.

### **Statement of Directors' responsibilities in respect of the Strategic report, the Directors' report and the financial statements**

The Directors are responsible for preparing the Strategic report, 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 period. Under that law they have elected to prepare the financial statements in accordance with International Accounting Standards (IASs) in conformity with the requirements of the Companies Act 2006.

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.

## Virgin Money Giving Limited Directors' report

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies in accordance with International Accounting Standard 8: Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements of IASs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the financial performance;
- state that the Company has complied with IASs, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable; and
- make an assessment of the Company's ability to continue as a going concern.

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.

### Auditors and disclosure of information to the auditors

The Directors who were members of the Board at the time of approving the Directors' report are listed on page 1. Having made enquiries of fellow Directors and of the Company's auditor, each of these Directors confirms that:

- to the best of each Director's knowledge and belief, there is no information relevant to the preparation of their report of which the Company's auditor is unaware; and
- each Director has taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditor is aware of that information.

This report was approved by the Board on 8 July 2022 and signed by order of the board by:



**Yvonne Sharp**  
Director

Virgin Money Giving Limited  
Registered No.02733492



**Virgin Money Giving Limited**  
**Independent auditor's report**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIRGIN MONEY GIVING LIMITED**

**Opinion**

We have audited the financial statements of Virgin Money Giving Limited for the period ended 31 March 2022 which comprise the statement of comprehensive income, the balance sheet, statement of changes in equity, statement of cash flows and the related notes 1 to 14, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Accounting Standards in conformity with the requirements of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 March 2022 and of its results for the period then ended;
- have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006; 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

**Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

**Virgin Money Giving Limited**  
**Independent auditor's report**

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or Directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

**Responsibilities of Directors**

As explained more fully in the statement of Directors' responsibilities set out on pages 5 to 6, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for 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 the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Virgin Money Giving Limited  
**Independent auditor's report**

***Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud***

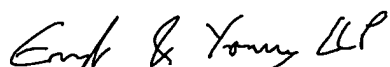
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are Companies Act 2006, UK Tax Legislation as enforced by HM Revenue and Customs and International Accounting Standards.
- We understood how the Company is complying with those frameworks by enquiries of management, and through discussion with those charged with governance. We also reviewed minutes of the Board and gained an understanding of the Company's approach to governance, demonstrated by the Board's approval of the Company's governance framework.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by obtaining an understanding of the fraud risk assessment process, inspecting the fraud prevention policies and inquiring with appropriate levels of management and other personnel.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved testing key entity-level controls, inquiring with Legal Counsel and management regarding their knowledge of any actual or suspected fraud or non-compliance, reviewing legal and regulatory correspondence, the litigation register and Board minutes.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Use of our report**

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.



Blake Adlem (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Edinburgh  
8 July 2022

**Virgin Money Giving Limited**  
**Statement of comprehensive income**

For the period ended

|   | Note | 18 months to<br>31 Mar 2022<br>£'000 | 9 months to<br>30 Sep 2020<br>£'000 |
|---|------|--------------------------------------|-------------------------------------|
| Revenue   | 2    | 4,316                                | 3,315                               |
| Operating expenses  | 3    | (4,316)                              | (3,315)                             |
| <b>Profit before and after tax attributable to equity holders</b>       | 5    | -                                    | -                                   |
| <b>Total comprehensive income for the period attributable to owners</b> |      | -                                    | -                                   |

The accompanying notes form an integral part of these financial statements.

**Virgin Money Giving Limited**  
**Balance sheet**

As at

|                                     | Note | 31 Mar<br>2022<br>£'000 | 30 Sep<br>2020<br>£'000 |
|-------------------------------------|------|-------------------------|-------------------------|
| <b>Assets</b>                       |      |                         |                         |
| Cash and cash equivalents           | 7    | 306                     | 719                     |
| Trade and other receivables         | 8    | 10                      | 213                     |
| <b>Total assets</b>                 |      | <b>316</b>              | <b>932</b>              |
| <b>Liabilities</b>                  |      |                         |                         |
| Amounts owed to group undertakings  | 9    | -                       | 430                     |
| Trade and other payables            | 10   | -                       | 21                      |
| Accruals and deferred income        | 11   | -                       | 165                     |
| <b>Total liabilities</b>            |      | <b>-</b>                | <b>616</b>              |
| <b>Equity</b>                       |      |                         |                         |
| Issued capital                      | 12   | -                       | -                       |
| Retained earnings                   |      | 316                     | 316                     |
| <b>Total equity</b>                 |      | <b>316</b>              | <b>316</b>              |
| <b>Total equity and liabilities</b> |      | <b>316</b>              | <b>932</b>              |

The accompanying notes form an integral part of these financial statements.

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 8 July 2022.



**Yvonne Sharp**  
Director

Virgin Money Giving Limited  
Registered No.02733492

Virgin Money Giving Limited  
**Statement of changes in equity**

|  | Issued<br>capital<br>£'000 | Retained<br>earnings<br>£'000 | Total<br>equity<br>£'000 |
|--|----------------------------|-------------------------------|--------------------------|
| Balance at 1 October 2020                            | -                          | 316                           | 316                      |
| Profit and total comprehensive income for the period | -                          | -                             | -                        |
| <b>Balance at 31 March 2022</b>                      | <b>-</b>                   | <b>316</b>                    | <b>316</b>               |
| Balance at 1 January 2020                            | -                          | 316                           | 316                      |
| Profit and total comprehensive income for the period | -                          | -                             | -                        |
| Balance at 30 September 2020                         | -                          | 316                           | 316                      |

The accompanying notes form an integral part of these financial statements.

**Virgin Money Giving Limited**  
**Statement of cash flows**

For the period ended

|  | Note | 18 months to<br>31 Mar 2022<br>£'000 | 9 months to<br>30 Sep 2020<br>£'000 |
|--|------|--------------------------------------|-------------------------------------|
| <b>Cash flows from operating activities</b>                  |      |                                      |                                     |
| Profit before taxation                                       |      | -                                    | -                                   |
| Non-cash and other items                                     |      | -                                    | -                                   |
| Decrease/(increase) in trade and other receivables           |      | 203                                  | (21)                                |
| Decrease in trade and other payables                         |      | (21)                                 | (3)                                 |
| Decrease in accruals and deferred income                     |      | (165)                                | (40)                                |
| <b>Net cash provided by/(used in) operating activities</b>   |      | <b>17</b>                            | <b>(64)</b>                         |
| <b>Cash flows from financing activities</b>                  |      |                                      |                                     |
| Repayments of amounts owed to group undertakings             |      | (3,886)                              | (1,934)                             |
| Borrowings drawn from group undertakings                     |      | 3,456                                | 2,204                               |
| <b>Net cash (outflows)/inflows from financing activities</b> |      | <b>(430)</b>                         | <b>270</b>                          |
| Net increase in cash and cash equivalents                    |      | (413)                                | 206                                 |
| Cash and cash equivalents at the beginning of the period     |      | 719                                  | 513                                 |
| <b>Cash and cash equivalents at the end of the period</b>    | 7    | <b>306</b>                           | <b>719</b>                          |

The accompanying notes form an integral part of these financial statements.

**Virgin Money Giving Limited**  
**Notes to the financial statements**

**Note 1: Accounting Policies**

**1.1 Reporting entity**

Virgin Money Giving Limited is incorporated and registered in England and Wales.

The Company is a wholly owned subsidiary of Virgin Money Holdings (UK) PLC whose ultimate parent company is Virgin Money UK PLC.

The smallest group in which the results of the Company are consolidated is that headed by Clydesdale Bank PLC. Virgin Money UK PLC heads the largest group in which the results of the Company are consolidated. The consolidated financial statements of Virgin Money UK PLC may be obtained from its registered office at Jubilee House, Gosforth, Newcastle upon Tyne, NE3 4PL. All references in these financial statements to 'the Group' refer to Virgin Money UK PLC and its subsidiaries, including the Company.

**1.2 Basis of preparation**

The financial statements, which should be read in conjunction with the Strategic report and the Directors' report, have been prepared in accordance with International Accounting Standards (IASs) in conformity with the requirements of the Companies Act 2006<sup>(1)</sup>.

With effect from 2 November 2021, the financial year end of the Company was changed from 30 September to 31 March in order to include the last few months trading activity within this extended accounting period. This report covers the 18 month period to 31 March 2022. In the prior period Annual Report, the financial period end of the Company had been changed and shortened from 31 December to 30 September to align with the year-end of its ultimate parent company. Accordingly, the comparative period in this report is the 9 months to 30 September 2020 and as a result, the comparative figures stated in the statement of comprehensive income, statement of changes in equity, statement of cash flows and the related notes are not entirely comparable.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

**1.3 Going concern**

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic report starting on page 2.

As detailed on page 2, on 26 August 2021, Virgin Money announced that Virgin Money Giving, would close for donations on 30 November 2021, following the final London Marathon with Virgin Money as sponsor. The website fully closed on 18 February 2022 and trading has ceased. There are no immediate plans however, to liquidate the Company and the Directors have a reasonable expectation that the Company has adequate resources to continue in existence for the foreseeable future, and at least 12 months from the approval of the financial statements. Accordingly, the Directors adopt the going concern basis in preparing the Annual report and financial statements.

<sup>(1)</sup> As the Company's accounting period straddles 31 December 2020, the date the UK ceased to be subject to EU law, the 2022 published financial reports are required to follow EU adopted international accounting standards. From 1 April 2022, the Company will follow and refer only to UK adopted international accounting standards, with the UK Endorsement Board being the body responsible for providing authorisation for the use of new IASB standards, amendments or interpretations in the UK from 1 January 2021. As at 31 March 2022, there were no material endorsement disparities between the UK and EU.



Virgin Money Giving Limited  
**Notes to the financial statements**

**Note 1: Accounting Policies (continued)**

**1.4 Accounting Policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements

**(a) Revenue**

Revenue comprises registration fees paid by charities, and commission and processing fees paid by charities (or donors on their behalf) relating to individual donation transactions.

Fees charged to charities for registering with the Company are non-refundable and received in advance of the charity's registration going live on the Company's website. The fees are initially recognised as a contract liability (deferred income) with revenue only recognised at the date when the Company has fulfilled its performance obligation of completing the charity's registration and their fundraising activities on the website have gone live.

Commission and processing fees charged on donations are recognised on the date donations are transacted on the website, being the date that the Company's obligation of processing the donation is satisfied.

**(b) Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and call deposits. These balances are generally of a short-term nature, and repayable on demand or within a short timescale (i.e. usually three months).

**(c) Taxation**

Income tax on the profit or loss for the period comprises current and deferred tax. Income tax is recognised in the statement of comprehensive income except to the extent that it is related to items recognised directly in equity, in which case the tax is also recognised in equity.

Current tax is the expected tax payable or receivable on the taxable profit or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

**(d) Financial Instruments**

Classification is based on the objectives of the Company's business model for managing its financial assets and the contractual cash flow characteristics of the instruments.

Management have assessed the Company's financial assets and concluded that all assets are held to collect contractual cash flows and that those cash flows represent solely the payment of principal and interest (the 'SPPI test') and are therefore classified at amortised cost.

All the Company's financial liabilities are classified at amortised cost.

Both financial assets and financial liabilities are initially recognised at fair value including direct and incremental transaction costs. Subsequent recognition is at amortised cost using the effective interest method, less any impairment provision for expected credit losses (for financial assets where material and recognised).

Virgin Money Giving Limited  
**Notes to the financial statements**

**Note 1: Accounting Policies (continued)**

**(e) Share capital**

Ordinary shares are classified as equity, with any incremental costs directly attributable to their issue recognised as a deduction from equity, net of any tax effects.

The holders of Ordinary Shares are entitled to one vote per share at meetings of the Company. Members' dividend and capital distribution (including on winding up) rights are limited to an overall maximum value of £100; they do not confer any rights of redemption.

The Company's capital is represented by the issued capital and reserves and these are managed in order that there is sufficient capital to meet the needs of the Company in its operations. The Company is not subject to any externally imposed capital requirements.

**1.5 Critical accounting estimates and judgements**

The preparation of financial statements in conformity with IAS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, actual results ultimately may differ from those estimates. This is reviewed at each reporting date by the Directors.

**1.6 New accounting standards and interpretations**

*New accounting standards and interpretations adopted*

The Company has adopted no new or amended material International Accounting Standards Board (IASB) pronouncements in the current financial period.

Those IASB pronouncements that are effective for financial periods beginning on or after 1 January 2020 and would have been applicable for entities with an accounting date commencing on 1 October 2020, have already been adopted by the Company in the shortened prior period that commenced on 1 January 2020.

*New accounting standards and interpretations not yet adopted*

The IASB has issued a number of minor amendments to IASs that are not mandatory for 31 March 2022 reporting periods and have not been early adopted by the Company. These amendments are not expected to have a material impact for the Company and have therefore not been listed.

**Virgin Money Giving Limited**  
**Notes to the financial statements**

**Note 2: Revenue**

Revenue is generated entirely from activities to promote charitable giving in the UK. Details of the Company's performance obligations in contracts with customers are outlined in note 1.4(a).

**Note 3: Operating expenses**

|                                   | 18 months to<br>31 Mar 2022<br>£'000 | 9 months to<br>30 Sep 2020<br>£'000 |
|-----------------------------------|--------------------------------------|-------------------------------------|
| Recharges from parent undertaking |                                      |                                     |
| - Overheads                       | 3,456                                | 2,630                               |
| Other operating charges           | 860                                  | 685                                 |
| <b>Operating expenses</b>         | <b>4,316</b>                         | <b>3,315</b>                        |

The Company has entered into an agreement with the Group. Under the terms of this agreement, overheads incurred by the Group relating to Virgin Money Giving Limited are recharged with other additional support also provided on a pro bono basis. Other operating charges relate to card payment costs and other administration expenses.

**Auditors' remuneration**

|  | 18 months to<br>31 Mar 2022<br>£'000 | 9 months to<br>30 Sep 2020<br>£'000 |
|--|--------------------------------------|-------------------------------------|
| Fees payable to the Company's auditors for the audit of the Company's accounts | 13                                   | 12                                  |

The statutory audit fee was included within the Group audit fee and paid by the Group's main trading subsidiary, Clydesdale Bank PLC. No fees were paid to the Company's auditors, for services other than the statutory audit of the Company.

**Note 4: Employee information**

The Company did not employ any staff during the period (2020: none).

None of the Directors were remunerated primarily for their services to the Company during the period and it is not practicable to determine the proportion of remuneration that relates to this Company. A recharge for administration services is charged by the Group for a range of services including the provision of the services of the Directors.

**Note 5: Taxation**

|                    | 18 months to<br>31 Mar 2022<br>£'000 | 9 months to<br>30 Sep 2020<br>£'000 |
|--------------------|--------------------------------------|-------------------------------------|
| <b>Current tax</b> |                                      |                                     |
| UK Corporation tax | -                                    | -                                   |
| <b>Tax charge</b>  | <b>-</b>                             | <b>-</b>                            |

**Tax reconciliation**

The tax on the Company's profit before tax is the same as that which would arise using the standard weighted average rate of UK corporation tax of 19% (30 September 2020: 19%).

Since 1 April 2017, the statutory rate of UK corporation tax has been 19%. The previously enacted corporation tax reduction to 17% on 1 April 2020 was cancelled in the Budget of 11 March 2020, and a resolution effecting this passed by Parliament on 17 March 2020. An increase in the UK corporation rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. If the Company was to continue trading, this would increase the Company's future current tax charge accordingly. The change to the tax rate has no impact on the amount disclosed in the financial statements.

**Virgin Money Giving Limited**  
**Notes to the financial statements**

**Note 6: Deferred tax**

At 31 March 2022, the Company had an unrecognised deferred tax asset of £nil (30 September 2020: £16,000) representing tax losses with a gross value of £nil (30 September 2020: £86,000). The Company's unrecognised losses of £86,000 arose before membership of the current Group, and pre 1 April 2017. With the cessation of trade in the current period there is no longer a possibility of utilising these losses against future profits. Therefore, a value has not been ascribed to the unrecognised loss.

**Note 7: Cash and cash equivalents**

| As at   | 31 Mar 2022<br>£'000 | 30 Sep 2020<br>£'000 |
|---|----------------------|----------------------|
| Bank balances   | 306                  | 719                  |
| <b>Cash and cash equivalents in the statement of cash flows</b> | <b>306</b>           | <b>719</b>           |

The lowest external rating of the three rating agencies, Moody's, Standard & Poor's Rating Services and Fitch Rating, is used to assess the credit quality of cash and cash equivalents. This is set out in the table below:

| Credit quality of cash and cash equivalents | 31 Mar 2022<br>£'000 | 30 Sep 2020<br>£'000 |
|---|----------------------|----------------------|
| <b>A+ rating (2020: A+ rating)</b>          | <b>306</b>           | <b>719</b>           |

**Note 8: Trade and other receivables**

| As at                              | 31 Mar 2022<br>£'000 | 30 Sep 2020<br>£'000 |
|------------------------------------|----------------------|----------------------|
| Trade debtors                      | -                    | 121                  |
| Other debtors                      | 10                   | 92                   |
| <b>Trade and other receivables</b> | <b>10</b>            | <b>213</b>           |

**Note 9: Amounts owed to group undertakings**

Amounts owed to group undertakings represent the amounts owed for services provided to the Company, net of any repayments made to reduce the amounts owed.

| As at                                | 2022<br>£'000 | 2020<br>£'000 |
|--------------------------------------|---------------|---------------|
| At 1 October 2020 / 1 January 2020   | 430           | 160           |
| Repayments                           | (3,886)       | (1,934)       |
| Intragroup recharges                 | 3,456         | 2,204         |
| At 31 March 2022 / 30 September 2020 | -             | 430           |

Included within Intragroup recharges in the prior period is £425.6k of platform fees that were waived for charities during the government lockdown period and reimbursed by Clydesdale Bank PLC.

**Note 10: Trade and other payables**

| As at                           | 31 Mar 2022<br>£'000 | 30 Sep 2020<br>£'000 |
|---------------------------------|----------------------|----------------------|
| VAT creditor                    | -                    | 21                   |
| <b>Trade and other payables</b> | <b>-</b>             | <b>21</b>            |

The Company's exposure to liquidity risk related to trade and other payables is disclosed in note 13.

Virgin Money Giving Limited  
**Notes to the financial statements**

**Note 11: Accruals and deferred income**

| As at                               | 31 Mar 2022<br>£'000 | 30 Sep 2020<br>£'000 |
|-------------------------------------|----------------------|----------------------|
| Accruals                            | -                    | 30                   |
| Deferred income                     | -                    | 135                  |
| <b>Accruals and deferred income</b> | <b>-</b>             | <b>165</b>           |

The net change in deferred income liability reflects the impact of the amount transferred to revenue, any new provisions recognised against deferred income, and registration fees received in the period from charities, but where the registration had not completed at the balance sheet date.

**Note 12: Issued capital**

The Company has £2 of ordinary shares in issue (30 September 2020: £2). These have been rounded to £nil on the face of the balance sheet.

| As at   | 31 Mar 2022 |       | 30 Sep 2020 |       |
|---|-------------|-------|-------------|-------|
|   | Shares      | £'000 | Shares      | £'000 |
| <b>Share capital</b>  |             |       |             |       |
| Allotted, called up and fully paid ordinary shares of £1 each | 2           | -     | 2           | -     |

**Dividends**

No dividends were declared by the Company in the current or prior period.

**Note 13: Risk management and monitoring**

Prior to the cessation of trade, the main risk arising from the Company's financial instruments was liquidity risk. The Board reviewed and agreed policies for managing each of these risks which are summarised below.

*Liquidity risk*

Liquidity risk is the risk that the Company is unable to meet its obligations as they fall due.

The Company's approach to managing liquidity was to ensure, as far as possible, that it would always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

*Fair values*

The fair values of financial assets and liabilities approximate their carrying values, and are classified as level 2 valuations as they are derived from observable inputs.

*Trade and other receivables/payables*

For receivables/payables with a remaining life of less than one year, the notional amount is deemed to reflect the fair value.

**Virgin Money Giving Limited**  
**Notes to the financial statements**

**Note 14: Related party transactions**

The Company transacts with Virgin Money Holdings (UK) PLC, as described in note 3.

|   | Transaction value<br>period ended |               | Balance outstanding<br>as at |               |
|---|-----------------------------------|---------------|------------------------------|---------------|
|   | 2022<br>£'000                     | 2020<br>£'000 | 2022<br>£'000                | 2020<br>£'000 |
| Net amounts charged by group undertakings | 3,456                             | 2,204         | -                            | -             |
| Loan balances due to parent undertaking   | -                                 | -             | -                            | (430)         |

Included within Net amounts charged by group undertakings in the prior period is £425.6k of platform fees that were waived for charities during the government lockdown period and reimbursed by Clydesdale Bank PLC.

Virgin Money Personal Financial Service Limited, also a member of the Virgin Money Holdings (UK) PLC group of companies, acts as an agent for Virgin Money Giving Limited. Charitable donations and the associated Gift Aid were held in a trust account and paid directly to the charities. No charge was made for this service by Virgin Money Personal Financial Services Limited.

No transactions with Directors or Key Management Personnel occurred during the period (9 months to 30 September 2020: None).