

Virgin Vouchers Limited

**Directors' report and financial
statements**

Registered number 2999861

31 March 2009



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Directors' report

The directors present their report with the audited financial statements of the Company for the year ended 31 March 2009.

Principal activity

The principal activity of the Company in the year under review was the redemption of denominated vouchers sold in prior years.

On 31 March 2009, the Company's top UK parent undertaking changed from Barfair Limited to Virgin Wings Limited.

Business Review

Acorne Sports Limited continues the operational activities of Virgin Vouchers Limited under a trademark agreement. The Company made a profit for the year of £4,708 (2008: loss of £253,935).

Dividends paid

Dividends paid during the year comprise of an interim dividend of £302,423 in respect of the year ended 31 March 2009 (2008: £nil).

Directors

The directors who held office during the year were:

G D McCallum
P C K McCall

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 he ought to have taken as a director to make himself 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.



B A R Gerrard
Company Secretary

The School House
50 Brook Green
London
W6 7RR

1 October 2009

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditors' report to the members of Virgin Vouchers Limited

We have audited the financial statements of Virgin Vouchers Limited for the year ended 31 March 2009 which comprise the Profit and Loss Account, the Balance Sheet, Statement of Total Recognised Gains and Losses, Reconciliation of Movements in Shareholders' Funds and related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

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

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

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

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

Basis of audit opinion

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

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

Opinion

In our opinion:

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

KPMG LLP
Chartered Accountants
Registered Auditor

KPMG LLP

8 Salisbury Square
London
EC4Y 8BB
8 October 2009

Profit and loss account

for the year ended 31 March 2009

	<i>Note</i>	Year ended 31 March 2009 £	Year ended 31 March 2008 £
Cost of sales (expense) / credit	2	(995)	26,355
Gross profit		(995)	26,355
Administrative expense	2	(10,732)	(10,766)
Operating (loss) / profit		(11,727)	15,589
Interest receivable and similar income	3	15,915	21,346
Interest payable and similar charges	4	-	(290,870)
Profit / (loss) on ordinary activities before taxation	2	4,188	(253,935)
Tax on profit on ordinary activities	5	520	-
Profit / (loss) for the financial year		4,708	(253,935)

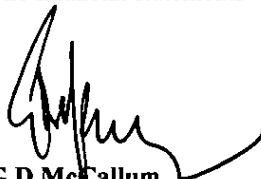
The notes on pages 7 to 12 form part of these financial statements.

Balance sheet

at 31 March 2009

	Notes	£	2009 £	£	2008 £
Current assets					
Debtors	7	2		276,625	
Cash at bank and in hand		-		36,769	
		<u>2</u>		<u>313,394</u>	
Creditors: amounts falling due within one year	8	-		(15,677)	
		<u>-</u>		<u>(15,677)</u>	
Net current assets			2		297,717
			<u>2</u>		<u>297,717</u>
Net assets			<u>2</u>		<u>297,717</u>
Capital and reserves					
Called up share capital	9		2		2
Profit and loss account	10		-		297,715
			<u>2</u>		<u>297,715</u>
Shareholders' funds			<u>2</u>		<u>297,717</u>

The financial statements were approved by the board of directors on 1 October 2009 and signed on its behalf by:


G D McCallum
Director

The notes on pages 7 to 12 form part of these financial statements.

Statement of total recognised gains and losses
for the year ended 31 March 2009

<i>Note</i>	Year ended 31 March 2009 £	Year ended 31 March 2008 £
Profit/ (loss) for the financial year	4,708	(253,935)
Capital contribution	-	4,302,757
Total recognised gains relating to the year	4,708	4,048,822

Reconciliation of Movements in Shareholders' Funds
for the year ended 31 March 2009

	Year ended 31 March 2009 £	Year ended 31 March 2008 £
Profit / (loss) for the financial year	4,708	(253,935)
Dividends on shares classified in shareholders' funds	(302,423)	-
Retained loss	(297,715)	(253,935)
Other recognised gains and losses relating to the year	-	4,302,757
Net (reduction in) / addition to shareholders' funds	(297,715)	4,048,822
Opening shareholders' funds / (deficit)	297,717	(3,751,105)
Closing shareholders' funds	2	297,717

The notes on pages 7 to 12 form part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

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

Basis of preparation

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

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

Under Financial Reporting Standard 1 (revised 1996), the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

Related parties

As a 100% owned subsidiary of Virgin Wings Limited, the Company has taken advantage of the exemption under Financial Reporting Standard 8: Related Party Disclosures, which enables it to exclude disclosure of transactions with Virgin Wings Limited and its subsidiaries.

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 Financial Reporting Standard 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.

Notes (continued)

2 Profit / (loss) on ordinary activities before taxation

The profit / (loss) on ordinary activities before taxation is stated after charging / (crediting):

	Year ended 31 March 2009 £	Year ended 31 March 2008 £
Auditors' remuneration – audit of these financial statements	-	8,163
Release of redemption reserve	-	(26,355)
	<u> </u>	<u> </u>

The audit fee for the current year is to be borne by another group company.

3 Interest receivable and similar income

	Year ended 31 March 2009 £	Year ended 31 March 2008 £
Bank interest receivable	1,452	2,539
Interest receivable on loans to group undertakings	14,463	18,807
	<u>15,915</u>	<u>21,346</u>

4 Interest payable and similar charges

	Year ended 31 March 2009 £	Year ended 31 March 2008 £
Interest payable on loans from group undertakings	-	290,870
	<u> </u>	<u> </u>

Notes (continued)

5 Taxation

Analysis of credit in year

	Year ended 31 March 2009 £	Year ended 31 March 2008 £
UK Corporation tax		
UK – adjustments to prior periods	(520)	-
	<hr/>	<hr/>
Total current tax	(520)	-
	<hr/>	<hr/>

Factors affecting the tax credit for the current year

The current tax credit for the year is lower (2008: higher) than the standard rate of corporation tax in the UK 28% (2008: 30%). The differences are explained below.

	Year ended 31 March 2009 £	Year ended 31 March 2008 £
<i>Current tax reconciliation</i>		
Profit / (loss) on ordinary activities before tax	4,188	(253,935)
	<hr/>	<hr/>
Current tax at 28% (2008: 30%)	1,173	(76,181)
	<hr/>	<hr/>
<i>Effects of:</i>		
Expenses not deductible for tax purposes	-	87,318
Income not taxable	(4,050)	(5,641)
Capital allowances in excess of depreciation	(32,890)	-
UK tax losses not utilised or not recognised	35,767	-
Utilisation of UK tax losses brought forward	-	(5,496)
Adjustments in respect of prior periods	(520)	-
	<hr/>	<hr/>
Total current tax credit (see above)	(520)	-
	<hr/>	<hr/>

Factors that may affect future current and total tax charges:

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:

	2009 Recognised £	2009 Unrecognised £	2008 Recognised £	2008 Unrecognised £
Excess capital allowances over depreciation	-	-	-	(32,891)
UK tax losses	-	(562,801)	-	(817,824)
	<hr/>	<hr/>	<hr/>	<hr/>
	-	(562,801)	-	(850,715)
	<hr/>	<hr/>	<hr/>	<hr/>

Notes (continued)

6 Directors emoluments

The directors were paid no fees or emoluments by the Company during the year (2008: £nil). The directors are paid by other group companies.

7 Debtors: amounts falling due within one year

	2009 £	2008 £
Other debtors	-	87
Amounts owed by related undertakings	2	276,538
	<u>2</u>	<u>276,625</u>

8 Creditors: amounts falling due within one year

	2009 £	2008 £
Trade creditors	-	3,143
Amounts owed to group undertakings	-	5,351
Other creditors including tax and social security	-	520
Accruals and deferred income	-	6,663
	<u>-</u>	<u>15,677</u>

9 Called up share capital

	2009 £	2008 £
<i>Authorised</i>		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<i>Allotted, called up and fully paid</i>		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

Notes (continued)

10 Reserves

	Profit and loss account £
At 1 April 2008	297,715
Profit for the financial year	4,708
Dividends paid	(302,423)
	<hr/>
At 31 March 2009	-
	<hr/> <hr/>

11 Related party disclosure

During the year, the Company was a 100% owned subsidiary of Barfair Limited. On 31 March 2009, Barfair Limited was sold to another group undertaking and as a result, the Company became a 100% owned subsidiary of Virgin Wings Limited. In the current year, the Company has taken advantage of the exemption under Financial Reporting Standard 8: Related Party Disclosures, which enables it to exclude disclosure of transactions with Virgin Wings Limited and its subsidiaries. In the prior year, the Company took advantage of the exemption under Financial Reporting Standard 8: Related Party Disclosures, which enabled it to exclude disclosure of transactions with Barfair Limited and its subsidiaries.

At 31 March 2009 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 Financial Reporting Standard 8.

The following is a summary of those transactions and balances between the Company and the related parties which are required to be disclosed under Financial Reporting Standard 8.

	Related party undertakings	
	2009	2008
	£	£
Debtors	-	276,538
Creditors	-	(100)
Interest receivable	(14,463)	(18,807)
	<hr/>	<hr/>

The related party undertakings with whom the Company transacted during the above years were Virgin Clubs Limited and Virgin Group Investments Limited.

Notes (continued)

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

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

The largest and smallest group in which the Company's results are consolidated are those for Virgin Wings Limited and Virgin Holdings Limited, companies which are registered in England and Wales. Copies of the group accounts for Virgin Wings Limited and Virgin Holdings Limited can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.