

**Virgin Bride Limited**

***Directors' report and financial statements***

31 January 1999

Registered number 3046028



KLO  
COMPANIES HOUSE

\*K1621LVA\*

0096  
30/11/99

## **Directors' report and financial statements**

### **Contents**

Directors' report	1
Statement of directors' responsibilities	2
Auditors' report to the members of Virgin Bride Limited	3
Profit and loss account	4
Balance sheet	5
Notes	6

## **Directors' report**

The directors present their report with the audited financial statements of the Company for the year to 31 January 1999.

### **Principal activity**

The principal activity of the Company is that of the provision of bridal services.

### **Results and business review**

The loss for the year retained in the Company is £1,578,896 (1998: loss of £1,421,827). The directors are confident that the Company will generate profits as it becomes established.

### **Directors and directors' interests**

The directors during the year under review were:

RCN Branson  
GL Missen (resigned 5 March 1998)  
BJ Rosser (resigned 13 August 1998)  
I Burroughs (appointed 13 August 1998)  
JP Ilsley (appointed 19 November 1998)

None of the directors who held office at the end of the year had any disclosable interests in the shares of the Company or other group companies.

### **Year 2000 compliance**

The Company has identified where modifications may be necessary to the computer systems in place and we are addressing this issue accordingly.

The Company has not allocated a specific budget to this work.

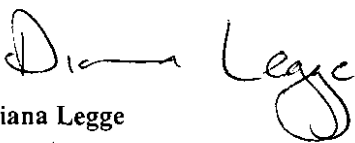
The Year 2000 issue may create business disruption through non compliance of the company's own business systems and from interaction with suppliers.

Whilst there can be no assurance that Year 2000 projects will be fully successful, we are confident that our ability to continue operations will not be materially affected.

### **Auditors**

The company has passed a resolution in accordance with Section 386 of the Companies Act 1985 dispensing with the obligation to appoint auditors annually.

By order of the Board



**Diana Legge**  
*Secretary*

120 Campden Hill Road  
London  
W8 7AR

## **Statement of directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial period which 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 those 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 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 which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the 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.



PO Box 695  
8 Salisbury Square  
London  
EC4Y 8BB

## **Auditors' report to the members of Virgin Bride Limited**

We have audited the financial statements on pages 4 to 12.

### *Respective responsibilities of directors and auditors*

As described on page 2 the Company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

### *Basis of opinion*

We conducted our audit in accordance with Auditing Standards 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 judgements 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 of the state of the Company's affairs as at 31 January 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants  
Registered Auditors

## Profit and loss account

*for the year to 31 January 1999*

	<i>Note</i>	<b>1999</b> £	<b>1998</b> £
<b>Turnover</b>	<i>1</i>	<b>1,434,907</b>	693,759
Cost of sales		<b>(766,440)</b>	(435,953)
<b>Gross profit</b>		<b>668,467</b>	257,806
Administrative expenses	<i>2</i>	<b>(1,928,517)</b>	(1,545,300)
<b>Operating loss</b>	<i>2</i>	<b>(1,260,050)</b>	(1,287,494)
Interest payable and similar charges	<i>5</i>	<b>(318,846)</b>	(134,333)
<b>Loss on ordinary activities before taxation</b>		<b>(1,578,896)</b>	(1,421,827)
Tax on loss on ordinary activities	<i>3</i>	-	-
<b>Retained loss for the year</b>		<b>(1,578,896)</b>	(1,421,827)
Retained loss brought forward		<b>(2,023,556)</b>	(601,729)
<b>Retained loss carried forward</b>		<b>(3,602,452)</b>	(2,023,556)

The Company has no recognised gains or losses other than the loss for the current year.


The loss for the year arises solely from continuing operations.

## Balance sheet

at 31 January 1999

	Note	1999	1998
		£	£
<b>Fixed assets</b>			
Tangible assets	6	1,113,141	1,147,855
<b>Current assets</b>			
Stock	7	347,455	250,436
Debtors	8	320,600	368,196
Cash at bank and in hand		7,497	1,499
		<u>675,552</u>	<u>620,131</u>
<b>Creditors: amounts falling due within one year</b>	9	<u>(5,391,143)</u>	<u>(3,791,540)</u>
<b>Net current liabilities</b>		<u>(4,715,591)</u>	<u>(3,171,409)</u>
<b>Net liabilities</b>		<u>(3,602,450)</u>	<u>(2,023,554)</u>
<b>Capital and reserves</b>			
Called up share capital	10	2	2
Profit and loss account		<u>(3,602,452)</u>	<u>(2,023,556)</u>
<b>Equity shareholders' funds</b>	11	<u>(3,602,450)</u>	<u>(2,023,554)</u>

The financial statements were approved by the Board of Directors on 29 Nov 1999 and signed on its behalf by:

  
**I Burroughs**  
*Director*

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

#### *Accounting convention*

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

#### *Going concern*

The accounts have been prepared on a going concern basis on the grounds that Barfair Limited, a parent Company, has confirmed that it will continue to provide support in order that the Company is able to meet its commitments as they fall due.

#### *Turnover*

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

#### *Leases*

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

#### *Foreign currencies*

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction.

#### *Fixed assets and depreciation*

Depreciation is provided by the company to write off the cost of tangible fixed assets by equal instalments over their estimated useful economic life as follows:

Leasehold improvements	-	life of lease (15 years)
Fixture and fittings	-	20%
Office equipment	-	over 3-5 years

#### *Stock*

Stocks are stated at the lower of cost and net realisable value.

#### *Taxation*

The charge for taxation is based on the profits for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.



## Notes (continued)

### 1 Accounting policies (continued)

#### *Cash flow statement*

Under Financial Reporting Standard 1 (Revised), the Company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

#### *Pensions*

The company contributes to certain employees pension schemes. The amount charged against profits represents the contributions payable to those schemes in respect of the accounting period.

### 2 Loss on ordinary activities before taxation

The loss on ordinary activities before taxation is stated after charging:

	1999 £	1998 £
Depreciation - owned assets	157,128	74,640
Auditors' remuneration - audit	4,200	4,000
Hire of other assets - rentals payable under operating leases	3,829	3,829
- exchange losses	3,233	4,631
Loss on disposal of fixed assets	19,778	71,953

### 3 Taxation

No tax charge arises due to the losses incurred during the year (1998: £nil).

## Notes (continued)

### 4 Staff numbers and costs

The average number of persons employed by the Company (excluding directors) during the year, analysed by category, were as follows:

	1998	1997
Selling and reservations	32	17
Administration	7	6
	<hr/>	<hr/>
	39	23
	<hr/>	<hr/>

The average payroll costs of these persons were as follows:

	1999 £	1998 £
Wages and salaries	610,754	501,207
Social security costs	55,116	41,064
Other pension costs	5,245	1,528
	<hr/>	<hr/>
	671,115	543,799
	<hr/>	<hr/>

The directors were paid £8,444 (1998: £nil) for services to the company during the year. Of this amount, £692 (1998: £nil) were paid in pension contributions.

### 5 Interest payable and similar charges

	1999 £	1998 £
On bank loans and overdrafts	177,029	28,003
Payable to group undertakings	141,720	106,330
	<hr/>	<hr/>
	318,749	134,333
	<hr/>	<hr/>

## Notes (continued)

### 6 Tangible fixed assets

	Leashold improvements	Office equipment	Fixtures and fittings	Total
	£	£	£	£
<b>Cost</b>				
At beginning of year	856,876	54,728	322,172	1,233,776
Additions	15,335	21,659	120,781	157,775
Disposals	-	(28,493)	(21,756)	(50,249)
Transfers	(17,934)	17,934	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	854,277	65,828	421,197	1,341,302
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
At beginning of year	51,521	11,986	22,414	85,921
Charge for the year	66,918	16,076	74,134	157,128
Disposals	-	(12,946)	(1,942)	(14,888)
Transfers	(4,184)	4,184	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	114,255	19,300	94,606	228,161
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>				
At 31 January 1999	740,022	46,528	326,591	1,133,141
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 January 1998	805,355	42,742	299,758	1,147,855
	<hr/>	<hr/>	<hr/>	<hr/>

### 7 Stock

	1999 £	1998 £
Finished goods and goods for resale	199,130	160,912
Consumables	148,325	89,524
	<hr/>	<hr/>
	347,455	250,436
	<hr/>	<hr/>

### 8 Debtors: amounts falling due within one year

	1999 £	1998 £
Trade debtors	12,459	1,464
Other debtors	229,941	243,722
Prepayments and accrued income	78,200	123,010
	<hr/>	<hr/>
	320,600	368,196
	<hr/>	<hr/>

## Notes (continued)

### 9 Creditors: amounts falling due within one year

	1999 £	1998 £
Bank overdraft	2,853,145	1,598,884
Trade creditors	133,090	187,334
Amounts owed to parent and fellow subsidiaries	1,729,317	1,525,197
Amounts owed to related undertakings	-	2,208
Other creditors including taxation and social security	582,808	277,013
Accruals and deferred income	92,783	200,904
	<hr/> 5,391,143 <hr/>	<hr/> 3,791,540 <hr/>

### 10 Called up share capital

	1999 £	1998 £
<i>Authorised</i>		
Ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	2	2
	<hr/>	<hr/>

### 11 Reconciliation of movement in shareholders' funds

	1999 £	1998 £
Loss for the year	(1,578,896)	(1,421,827)
Opening shareholders' funds	(2,023,554)	(601,727)
	<hr/>	<hr/>
Closing shareholders' funds	(3,602,450)	2,023,554
	<hr/>	<hr/>

## Notes (continued)

### 12 Related party disclosures

At 31 January 1999, the Company's ultimate parent Company was Virgin Travel Limited, whose principal shareholders are certain trusts, none of which individually has a controlling interest in Virgin Travel Limited. The principal beneficiaries of those trusts are RCN Branson and his immediate family. The shareholders of Virgin Travel 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:

	<i>Note</i>	Parent and fellow subsidiary undertakings £
Interest payable	<i>a</i>	141,720
Creditors	<i>a</i>	1,729,317

The fellow subsidiary undertaking with whom the Company transacted during the year was Virgin Management Limited.

- (a) Inter-Company balances due to the fellow subsidiary undertakings attract interest at a rate of 1.5% above the base rate of Lloyds Bank Plc. Trading balances do not attract interest.

### 13 Outstanding annual commitments under non-cancellable operating leases

	1999		1998	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire:				
In the second to fifth years inclusive	16,800	3,829	16,800	3,829
Over five years	120,000	-	120,000	-
	<hr/> 136,800	<hr/> 3,829	<hr/> 136,800	<hr/> 3,829
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**Notes** *(continued)*

**14 Ultimate parent company**

At 31 January 1999 the ultimate parent undertaking was Virgin Travel Limited, a company incorporated in the British Virgin Islands.

The only accounts in which the results of the company are consolidated are those of Barfair Limited. The accounts of Barfair Limited can be obtained from Companies House.