

Virgin Bride Limited

Directors' report and financial statements

31 January 1997

Registered number 3046028



Virgin Bride Limited

Directors' report and financial statements

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Virgin Bride Limited

Company Information

for the year to 31 January 1997

Directors:	T M Abbott R C N Branson G L Brooks B J Rosser
Secretary:	D P Legge
Registered office:	120 Campden Hill Road London W8 7AR
Registered number:	3046028 (England and Wales)
Auditors:	KPMG 1 Forest Gate Brighton Road Crawley West Sussex RH11 9PT

Virgin Bride Limited

Directors' report

The directors present their report with the audited financial statements of the Company for the year to 31 January 1997.

Change of name

The Company was incorporated as Virgin Brides Limited and changed its name to Virgin Bride Limited on 24 October 1996.

Principal activity

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

Results

The company commenced trading on 6 December 1996, and made a loss of £565,255 (1996: £36,474) for the year. The directors are confident that the Company will generate profits as it becomes established.

Directors and directors' interests

The directors during the period under review were:

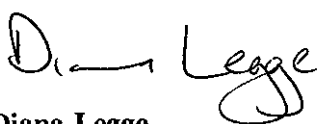
T M Abbott
R C N Branson
G L Missen
B J Rosser (appointed 3 December 1996)

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

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the reappointment of KPMG as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board


Diana Legge
Secretary

120 Campden Hill Road
LONDON
W8 7AR

Virgin Bride Limited

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 maintaining 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.



1 Forest Gate
Brighton Road
Crawley
West Sussex RH11 9PT

Auditors' report to the members of Virgin Bride Limited

We have audited the financial statements on pages 5 to 11.

Respective responsibilities of directors and auditors

As described on page 3 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 1997 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

28 November 1997

Virgin Bride Limited

Profit and loss account for the year to 31 January 1997

	<i>Note</i>	1997 £	1996 £
Turnover	2	15,413	-
Cost of sales		(5,907)	-
		<hr/>	<hr/>
Gross profit		9,506	-
Administrative expenses	3	(554,762)	(36,474)
		<hr/>	<hr/>
Operating loss	3	(545,256)	(36,474)
Interest payable and similar charges	6	(19,999)	-
		<hr/>	<hr/>
Loss on ordinary activities before taxation		(565,255)	(36,474)
Tax on loss on ordinary activities	4	-	-
		<hr/>	<hr/>
Retained loss for the year		(565,255)	(36,474)
Retained loss brought forward		(36,474)	-
		<hr/>	<hr/>
Retained loss carried forward		(601,729)	(36,474)
		<hr/>	<hr/>

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

The loss for the period arises solely from continuing operations.

Virgin Bride Limited

Balance sheet at 31 January 1997

	Note	1997		1996	
		£	£	£	£
Fixed assets					
Tangible assets	7		669,236		1,588
Current assets					
Stock	8	140,996		-	
Debtors	9	153,390		-	
Cash at bank and in hand		34,940		-	
		<u>329,326</u>		<u>-</u>	
Creditors: amounts falling due within one year	10	<u>(1,600,289)</u>		<u>(38,060)</u>	
Net current liabilities			<u>(1,270,963)</u>		<u>(38,060)</u>
Net liabilities			<u>(601,727)</u>		<u>(36,472)</u>
Capital and reserves					
Called up share capital	11		2		2
Profit and loss account			<u>(601,729)</u>		<u>(36,474)</u>
Equity shareholders' funds	12		<u>(601,727)</u>		<u>(36,472)</u>

The financial statements were approved by the Board of Directors on 28 November 1997, and signed on its behalf by:


B J Rosser
Director

Virgin Bride Limited

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 Voyager Investments (BVI) Limited, the ultimate 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.

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	-	over 15 years
Plant and machinery	-	20%
Fixture and fittings	-	20%
Office equipment	-	over 3-5 years

Cash flow statement

Under Financial Reporting Standard 1, the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking.

2 Turnover

The turnover and loss before taxation are attributable to the principal activity of the Company.

3 Loss on ordinary activities before taxation

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

	1997	1996
	£	£
Depreciation - owned assets	151,278	34
Auditors' remuneration - audit	3,500	1,000
Hire of other assets - rentals payable under operating leases	1,438	-
- exchange losses	830	-

The Company has undertaken a refurbishment of premises in September 1997, as a result of which certain leasehold improvements and fixtures and fittings, acquired during the year, have been scrapped subsequent to the year end. The Company has therefore, provided additional depreciation of £140,620 within administration expenses at 31 December 1997 to reflect this.

4 Taxation

No tax charge arises due to the losses incurred during the period (1996: £nil).

Virgin Bride Limited

Notes (continued)

5 Staff numbers and costs

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

	1997	1996
Selling and reservations	5	-
Administration	-	2
	<u>5</u>	<u>2</u>

The average payroll costs of these persons were as follows:

	1997 £	1996 £
Wages and salaries	81,008	19,097
Social security costs	6,798	1,441
Other pension costs	903	-
	<u>88,709</u>	<u>20,538</u>

The directors were paid no fees or emoluments by the Company during the year (1996: £nil).

6 Interest payable and similar charges

	1997 £	1996 £
Payable to group undertakings	<u>19,999</u>	<u>-</u>

Virgin Bride Limited

Notes (continued)

7 Tangible fixed assets

	Leashold improvements	Plant and machinery	Office equipment	Fixtures and fittings	Office equipment
	£	£	£	£	£
<i>Cost</i>					
At beginning of year	-	-	1,622	-	1,622
Additions	664,303	25,495	27,767	101,361	818,926
	<u>664,303</u>	<u>25,495</u>	<u>29,389</u>	<u>101,361</u>	<u>820,548</u>
At end of year	<u>664,303</u>	<u>25,495</u>	<u>29,389</u>	<u>101,361</u>	<u>820,548</u>
<i>Depreciation</i>					
At beginning of year	-	-	34	-	34
Charge for the year	74,560	983	602	75,133	151,278
	<u>74,560</u>	<u>983</u>	<u>636</u>	<u>75,133</u>	<u>151,312</u>
At end of year	<u>74,560</u>	<u>983</u>	<u>636</u>	<u>75,133</u>	<u>151,312</u>
<i>Net book value</i>					
At 31 January 1997	<u>589,743</u>	<u>24,513</u>	<u>28,753</u>	<u>26,228</u>	<u>669,236</u>
At 31 January 1996	<u>-</u>	<u>-</u>	<u>1,588</u>	<u>-</u>	<u>1,588</u>

8 Stock

	1997 £	1996 £
Finished goods and goods for resale	108,353	-
Consumables	<u>32,644</u>	<u>-</u>
	<u>140,996</u>	<u>-</u>

9 Debtors: amounts falling due within one year

	1997 £	1996 £
Trade debtors	2,589	-
Other debtors	122,863	-
Prepayments and accrued income	<u>27,938</u>	<u>-</u>
	<u>153,390</u>	<u>-</u>

Virgin Bride Limited

Notes (continued)

10 Creditors: amounts falling due within one year

	1997 £	1996 £
Trade creditors	254,197	-
Amounts owed to parent and fellow subsidiaries	1,029,868	37,060
Amounts owed to related undertakings	2,862	-
Other creditors including taxation and social security	122,115	-
Accruals and deferred income	191,247	1,000
	<u>1,600,289</u>	<u>38,060</u>

11 Called up share capital

	1997 £	1996 £
<i>Authorised</i>		
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	<u>2</u>	<u>2</u>

12 Reconciliation of movement in shareholders' funds

	1997 £	1996 £
Loss for the period	(565,255)	(36,474)
New share capital subscribed	<u>-</u>	<u>2</u>
Net reduction to shareholders' funds	(565,255)	(36,472)
Opening shareholders' funds	<u>(36,472)</u>	<u>-</u>
Closing shareholders' funds	<u>(601,727)</u>	<u>(36,472)</u>

Virgin Bride Limited

Notes (continued)

13 Related party disclosures

At 31 January 1997, the Company's ultimate parent Company was Voyager Investments (BVI) Limited, whose principal shareholders are certain trusts, none of which individually has a controlling interest in Voyager Investments (BVI) Limited. The principal beneficiaries of those trusts are RCN Branson and his immediate family. The shareholders of Voyager Investments (BVI) 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:

	Note	Parent and fellow subsidiary undertakings £
Interest payable	a	19,999
Creditors	a	1,029,868

The parent and fellow subsidiary undertakings with whom the Company transacted during the year were Voyager Group Limited and 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.

14 Outstanding annual commitments under non-cancellable operating leases

	1997		1996	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire:				
Within one year	-	-	-	-
In the second to fifth years inclusive	-	3,125	-	-
Over five years	120,000	-	-	-
	<u>120,000</u>	<u>3,125</u>	<u>-</u>	<u>-</u>

15 Ultimate parent Company

The ultimate parent undertaking is Voyager Investments (BVI) Limited, a Company incorporated in the British Virgin Islands.