

Threesixty Aerospace Limited

Directors' report and financial statements

For the year ended 31 December 2014

Registered number 03462640



Threesixty Aerospace Limited
Directors' report and financial statements
31 December 2014

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Strategic report

Management and financial review

On 2 July 2013, the trade and assets of the Company were sold and the Company ceased to trade. Prior to this the principle activity of the Company was the design, development and manufacture of aircraft seating products primarily for Virgin Atlantic Airways Limited.

During the preceding period the directors took the decision to change the accounting reference date of Threesixty Aerospace Limited from 28 February to 31 December. The decision was taken in order to align with the accounting reference date of the Virgin Group of companies.

The year ended the 31 December 2014 the Company made a profit before tax of £19,822, in the period ending the 31 December 2013 the Company was trading for four months and made a profit before tax of £1,029,199. The tax credit for the year was £281,495, against a tax charge of £270,262 in the prior period. The profit for the year was primarily driven by refunds received from suppliers for unused facilities and group interest received.

The profit after tax for the accounting year was £301,317, as a result net assets increased from £4,892,759 at 31 December 2013 to £5,194,076 as at 31 December 2014. Net assets primarily consist of amounts owed by group undertakings of £4,500,780.

As the directors have no plans to acquire a replacement trade the financial statements are no longer prepared on a going concern basis. No adjustments arose on ceasing to apply the going concern basis.

The strategic report was approved by the Board of Directors on 29 September 2015 and signed on its behalf by



I M J de Sousa
Company Secretary

Directors' report

Registered number. 03462640

The directors present their annual report and the audited financial statements of Threesixty Aerospace Limited ("the Company") for the year ended 31 December 2014. The comparative shown are for the ten month period ended 31 December 2013.

Directors

The directors who served during the year were as follows

I M J de Sousa	
T J Livett	(resigned 7 July 2014)
S J Weiss	(appointed 7 July 2014)
C S Kreeger	

Dividends

The directors do not recommend the payment of a dividend (*prior period £nil*)

The directors report was approved by the Board of Directors on 29 September 2015 and signed on its behalf by



I M J de Sousa
Company Secretary

Company Secretariat
The Office
Manor Royal
Crawley
West Sussex
RH10 9NU

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report and 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 Company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its profit or loss for that period

In preparing these 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, and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,

As explained in note 1 (a) the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis

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

Profit and loss account
for the year ended 31 December 2014

		For the year ended 31 December 2014 £	For the period ended 31 December 2013 £
	Note		
Turnover	2	-	8,476,924
Cost of sales		-	(6,206,909)
		<hr/>	<hr/>
Gross profit		-	2,270,015
Administrative expenses		13,195	(1,205,465)
		<hr/>	<hr/>
Operating profit		13,195	1,064,550
Interest receivable and similar income	5	30,917	26,839
Interest payable and similar charges	6	(24,290)	(62,190)
		<hr/>	<hr/>
Profit on ordinary activities before taxation	7	19,822	1,029,199
Tax on profit on ordinary activities	8	281,495	(270,262)
		<hr/>	<hr/>
Profit for the financial year/period	12	301,317	758,937
		<hr/> <hr/>	<hr/> <hr/>

There are no recognised gains or losses other than the profit for the current financial year and preceding financial period

As detailed in note 1 the trade and assets of the Company were disposed of on 2 July 2013 and the Company has ceased trading

The notes on pages 6 to 13 form part of these financial statements

Threesixty Aerospace Limited
Directors' report and financial statements
31 December 2014

Balance sheet
at 31 December 2014

	Note	As at 31 December 2014 £	As at 31 December 2013 £
Current assets			
Debtors	9	5,194,128	6,896,313
		<u>5,194,128</u>	<u>6,896,313</u>
Creditors amounts falling due within one year	10	(52)	(2,003,554)
		<u></u>	<u></u>
Net current assets		5,194,076	4,892,759
		<u></u>	<u></u>
Net assets		5,194,076	4,892,759
		<u></u>	<u></u>
Capital and reserves			
Called up share capital	11	7,737,616	7,737,616
Capital contribution reserve	12	8,000,688	8,000,688
Profit and loss account	12	(10,544,228)	(10,845,545)
		<u></u>	<u></u>
Shareholders' funds	13	5,194,076	4,892,759
		<u></u>	<u></u>

The company is except from audit under section 479A of the companies Act

The members have not required the Company to obtain an audit of its accounts for the period in question in accordance with the section 476

The directors acknowledge their responsibilities for complying with the requirements of the Act with the respect to the accounting records and the preparation of accounts

These financial statements were approved by the Board of Directors 29 September 2015 and were signed on its behalf by


S J Weiss
Director

The notes on pages 6 to 13 form part of these financial statements

Notes

(forming part of the financial statements)

1 Principal accounting policies

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

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom accounting standards. This policy has been applied consistently for the year under review.

On 2 July 2013 the Company sold its trade and assets and consequently it has ceased trading. Whilst the trade will continue under new ownership there is no intention for this Company to acquire a replacement trade and the financial statements have therefore been prepared on a basis other than as a going concern. Assets have been stated at recoverable amounts based on the sale of the business and full provision made for liabilities which have not been transferred to the purchaser.

Under Financial Reporting Standard 1 (Revised), the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary of Virgin Atlantic Limited (formally known as Virgin Atlantic (Holdings) Limited), and its cash flows are included within the consolidated cash flow statements of that company.

During the prior period the directors took the decision to change the accounting reference date of the Company from 28 February to 31 December. The decision was taken in order to align with the new accounting reference date of the Virgin Group of companies. Comparative balances are therefore for 10 months ending 31 December 2013.

(b) Turnover

Turnover represents the amounts receivable for the provision of goods and services provided in the normal course of business. Turnover is recognised on delivery except for long term contracts.

The Company has certain long term contracts for the development and supply of products. The amount of profit attributable to the stage of completion of such contracts is recognised when the outcome of the contract can be foreseen with reasonable certainty. Turnover for such contracts is stated at the cost appropriate to their stage of completion plus attributable profit, less amounts recognised in previous years. Provision is made for any losses as soon as they are foreseen. Amounts recoverable on such contracts are included in debtors and represent turnover in excess of payments on account.

(c) Work in progress

Long term contract work in progress is stated at costs incurred, less amounts recognised in the profit and loss account in previous years, after deducting foreseeable losses.

(d) Development expenditure

Development expenditure is charged to the profit and loss account as it is incurred, and is included in cost of sales.

(e) Administrative expenses

Administrative expenses comprise overhead expenses together with marketing and promotional costs. Marketing and promotional costs are expensed to the profit and loss account as incurred.

Notes *(continued)*

1 Principal accounting policies *(continued)*

(f) Translation of foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currency are translated using the rates of exchange ruling at the balance sheet date or, if appropriate, at the forward contract rate.

(g) Pension costs

The Company contributes to employees' personal pension arrangements. The amount charged in the profit and loss account represents the contributions payable to the schemes by the Company in respect of the accounting period.

(h) Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

(i) Leases

Rentals under operating leases are charged to the profit and loss account on a straight-line basis over the lease term, even if the payments are not made on such a basis. Where operating lease charges are variable based on prevailing interest rates, costs are recognised prospectively over the remaining term of the lease.

Leasehold dilapidations and onerous lease provisions are discounted with the unwinding of the discount being taken to the profit and loss account.

2. Turnover

Turnover represents the amounts, excluding value added tax, attributable to the principal activities of the Company, and arose wholly within the United Kingdom.

Notes (continued)

3 Staff numbers and costs

The average number of persons employed by the Company, for the four month period before the company ceased trading, including directors, analysed by category was as follows

	For the year ended 31 December 2014	For the period ended 31 December 2013
Management and administration	-	9
Design and production	-	82
	<hr/> -	<hr/> 91
	<hr/>	<hr/>

The aggregate payroll costs (including directors) of these persons were as follows

	For the year ended 31 December 2014 £	For the period ended 31 December 2013 £
Wages and salaries	-	989,124
Social security costs	-	95,435
Pension costs	-	43,614
	<hr/> -	<hr/> 1,128,173
	<hr/>	<hr/>

4 Emoluments of the directors

The emoluments of the directors of the Company were

	For the year ended 31 December 2014 £	For the period ended 31 December 2013 £
Aggregate emoluments	-	183,059
Employer contributions to money purchase pension schemes	-	2,230
	<hr/> -	<hr/> 185,289
	<hr/>	<hr/>

Retirement benefits are accruing to nil director (*prior period 1*) as a result of their employment by the Company

The aggregate compensation for loss of office paid in the year was £nil (*prior period £60,000*)

Notes *(continued)*

5 Interest receivable and similar income

	For the year ended 31 December 2014 £	For the period ended 31 December 2013 £
Interest receivable from group undertakings	30,917	26,839

6 Interest payable and similar charges

	For the year ended 31 December 2014 £	For the period ended 31 December 2013 £
Interest payable to group undertakings	24,290	62,190

7. Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is stated after (crediting)/charging the following

	For the year ended 31 December 2014 £	For the period ended 31 December 2013 £
Depreciation	-	69,688
Profit on sale of fixed assets	(3,245)	22,469
Rentals under operating leases		
Land and buildings	-	15,048
Motor vehicles and equipment	-	863
Auditor's remuneration for audit services	(3,500)	3,750

Fees payable to the Company's auditor and its associates for services other than the statutory audit of the Company are not disclosed in Threesixty Aerospace Limited's accounts since the consolidated accounts of Threesixty Aerospace Limited's parent, Virgin Atlantic Limited, are required to disclose non-audit fees on a consolidated basis

Notes *(continued)*

8 Tax on profit on ordinary activities

	For the year ended 31 December 2014 £	For the period ended 31 December 2013 £
UK corporation tax		
Group relief payable in respect of current year	1,627	174,425
Adjustments in respect of prior periods	(283,122)	(283)
Total current tax (credit)/charge	(281,495)	174,142
Deferred taxation		
Origination and reversal of timing differences	1,125	84,482
Adjustments in respect of prior periods	(1,125)	(898)
Effect of decreased tax rate	-	12,536
Total deferred tax (credit)/charge	-	96,120
Tax (credit)/charge on profit on ordinary activities	(281,495)	270,262

Group relief payments will be received or paid where losses are surrendered to or from other group companies

The standard rate of UK corporation tax for the year is 21.5% (*prior period* 23%). The actual tax (credit)/charge for the current year differs from the standard rate for the reasons set out in the following reconciliation

	For the year ended 31 December 2014 £	For the period ended 31 December 2013 £
Profit on ordinary activities before taxation	19,822	1,029,199
Tax at the standard rate at 21.5% (<i>prior period</i> 23%)	4,262	236,716
Factors affecting the (credit)/charge for the year/period:		
Income not subject to corporation tax	(6,647)	(6,173)
(Capital allowances in excess of depreciation)/depreciation in excess of capital allowances	-	(95,272)
Expenses not deductible for tax purposes	5,222	39,160
Other timing differences	-	(1,882)
Utilisation of UK tax losses brought forward	(1,210)	-
Effect of decreased tax rate	(1)	1,876
Adjustments in respect of prior periods	(283,121)	(283)
Total current tax(credit)/charge	(281,495)	174,142

Notes *(continued)*

9 Debtors: amounts falling due within one year

	As at 31 December 2014 £	As at 31 December 2013 £
Trade debtors	1,940	11,916
Amounts owed by group undertaking	4,500,780	6,474,445
Other debtors	-	39
Group relief receivable	691,408	409,913
	<u>5,194,128</u>	<u>6,896,313</u>

10 Creditors: amounts falling due within one year

	As at 31 December 2014 £	As at 31 December 2013 £
Bank overdrafts	25	1,984,643
Trade creditors	-	8,849
Other taxes and social security	27	-
Accruals and deferred income	-	10,062
	<u>52</u>	<u>2,003,554</u>

11. Share capital

	As at 31 December 2014 £	As at 31 December 2013 £
<i>Issued, called up and fully paid:</i>		
161,560 ordinary shares of 1p each	1,616	1,616
154,720 preference shares of £50 each	7,736,000	7,736,000
	<u>7,737,616</u>	<u>7,737,616</u>

The preference shares are non-voting redeemable preference shares, which rank before the ordinary shares in the event that the Company is wound up. The preference shares may be redeemed in whole or in part at the option of the Company upon giving notice of one month to the holders. The shares are to be redeemed at their nominal value. Under the provisions of Financial Reporting Standard 25 the redeemable preference shares have been classified as "Share capital".

Notes *(continued)*

12 Reserves

	Profit and loss account £	Capital contribution reserve £	Total £
Balance at 1 January 2014	(10,845,545)	8,000,688	(2,844,857)
Profit for the financial year/period	301,317	-	301,317
Balance at 31 December 2014	<u>(10,544,228)</u>	<u>8,000,688</u>	<u>(2,543,540)</u>

13. Reconciliation of movements in shareholders' funds

	As at 31 December 2014 £	As at 31 December 2013 £
Profit for the financial year/period	301,317	758,937
Movement in shareholders' funds	<u>301,317</u>	<u>758,937</u>
Opening shareholders' funds	4,892,759	4,133,822
Closing shareholders' funds	<u>5,194,076</u>	<u>4,892,759</u>

Notes *(continued)*

14. Related party transactions

At 31 December 2014, the Company's ultimate parent company was Virgin Group Holdings Limited whose principal shareholders are Sir Richard Branson and 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 Company being a wholly owned subsidiary undertaking at 31 December 2014 of the group headed by Virgin Atlantic Limited (formally known as Virgin Atlantic (Holdings) Limited) has taken advantage of the exemption contained in Financial Reporting Standard 8, and has therefore not disclosed transactions with wholly owned entities in the same group.

There are no other material transactions and balances by the Company with related entities which are required to be disclosed by Financial Reporting Standard 8.

15. Ultimate holding company

As at 31 December 2014, the directors consider the ultimate holding company to be Virgin Group Holdings Limited, a company registered in the British Virgin Islands.

As at 31 December 2014, the largest group in which the results of the Company are consolidated is that headed by Virgin Wings Limited and the smallest group in which the results of the Company are consolidated is that headed by Virgin Atlantic Airways Limited. Both companies are registered in England and Wales.

Copies of the financial statements for Virgin Wings Limited, Virgin Atlantic Airways Limited and Virgin Atlantic Limited may be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.