

# **Windguard Limited**

## **Directors' report and financial statements for the year ended 31 March 2009**

Registered number 3512960

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## Directors' report

The directors present their report and financial statements for the year ended 31 March 2009.

### Principal activities and review of business

Until 5 May 2006, the company's principal activity was the retailing of books and related products. On 5 May 2006 the business and the majority of its assets were sold to a third party.

The company has met the requirements in the Companies Act 1985 to obtain the exemption provided from the presentation of an enhanced business review on the grounds of its size.

### Results and dividends

The loss for the financial year of £189,864 (2008: £488,053) has been transferred to reserves.

The directors do not recommend the payment of dividend (2008: £nil).

### Directors

The directors who held office during the year were as follows :

A Lee (resigned 16 January 2009)

J Jackson (resigned 6 April 2008)

A Hindle (appointed 16 January 2009, resigned 28 October 2009)

Kirsten Rodie (appointed 28 October 2009)

### 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.

By order of the board

  
B Gerrard  
Company Secretary

The School House  
50 Brook Green, London  
W6 7RR

22112 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent 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 a 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.



KPMG LLP  
8 Salisbury Square  
London  
EC4Y 8BB

## **Independent auditors' report to the members of Windguard Limited**

We have audited the financial statements of Windguard Limited for the year ended 31 March 2009 which comprise the Profit and Loss Account, the Balance Sheet and the 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.

In addition we report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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.

## **Independent auditors' report to the members of Windguard Limited** *(continued)*

### **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 the company's loss for the year then ended; and
- 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*

**KPMG LLP**  
*Chartered Accountants*  
*Registered Auditor*

*24 December* 2009

## Profit and loss account

for the year ended 31 March 2009

	Note	2009 £	2008 £
Turnover	2	-	-
Cost of sales		-	-
		<hr/>	<hr/>
Gross profit		-	-
Other operating income	2	9,079	68,762
Administrative expenses		(219,210)	(885,708)
		<hr/>	<hr/>
Operating loss		(210,131)	(816,946)
Interest receivable and similar income	2	28,148	81,219
		<hr/>	<hr/>
Loss on ordinary activities before taxation	2	(181,983)	(735,727)
Tax on loss on ordinary activities	5	(7,881)	247,674
		<hr/>	<hr/>
Loss for the financial year	11	(189,864)	(488,053)
		<hr/>	<hr/>

The notes on pages 7 to 11 form part of these financial statements.

The company had no recognised gains or losses other than the loss for the financial year stated above, which was derived from continuing operations.

## Balance sheet

at 31 March 2009

	Note	2009 £	2008 £
<b>Current assets</b>			
Debtors	6	-	-
Cash at bank and in hand		483,182	1,425,513
		<u>483,182</u>	<u>1,425,513</u>
<b>Creditors: amounts falling due within one year</b>	7	(467,683)	(436,407)
		<u></u>	<u></u>
<b>Net current assets</b>		<b>15,499</b>	<b>989,106</b>
		<u></u>	<u></u>
<b>Total assets less current liabilities</b>		<b>15,499</b>	<b>989,106</b>
		<u></u>	<u></u>
<b>Provisions for liabilities and charges</b>	8	-	(783,743)
		<u></u>	<u></u>
<b>Net assets</b>		<b>15,499</b>	<b>205,363</b>
		<u></u>	<u></u>
<b>Capital and reserves</b>			
Called up share capital	9	275,719	275,719
Profit and loss account	10	(260,220)	(70,356)
		<u></u>	<u></u>
<b>Shareholders' funds</b>	11	<b>15,499</b>	<b>205,363</b>
		<u></u>	<u></u>

The notes on pages 7 to 11 form part of these financial statements.

These financial statements were approved by the board of directors on behalf by:

22/12 2009 and were signed on its



**K Rodie**  
Director



## 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 in accordance with applicable accounting standards, and under the historical cost accounting rules.

The financial statements have been prepared on a going concern basis in view of the fact that the parent undertaking Virgin Group Holdings Limited has formally indicated that it is its intention to provide sufficient funding to the company, to enable it to meet its liabilities as they fall due, for at least the next twelve months.

The directors have no reason to believe that the parent company will not be in a position to provide the support referred to above and, accordingly, they have prepared the financial statements on the going concern basis.

As the company is a wholly owned subsidiary of Barfair Limited, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Barfair Limited, within which this company is included, can be obtained from the Registrar of Companies (address given in note 15).

Under FRS 1 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 (see note 15).

#### ***Taxation***

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

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 FRS 19.

**Notes (continued)**

**2 Loss on ordinary activities before taxation**

	2009 £	2008 £
<i>Loss on ordinary activities before taxation is stated after charging/(crediting):</i>		
Auditors remuneration	8,800	-
Other operating income	(9,079)	(68,762)
Interest receivable	(28,148)	(81,219)
Amounts provided against intercompany balances	(90,467)	-
	<u>          </u>	<u>          </u>

Other operating income has arisen due to costs continuing to be charged to the company after the sale date, which have been subsequently recharged to the purchasers of the business.

**Auditors remuneration**

No amounts were paid to the Company's auditor in respect of services to the company, other than the audit of the Company's financial statements.

**3 Remuneration of directors**

The emoluments paid directly to the directors of the company were £nil, (2008: £nil). The total emoluments paid to the directors of Windguard Limited by Network Distributing Limited are disclosed in that company's accounts.

**4 Staff numbers and costs**

The average number of persons employed by the company (excluding directors) is nil (2008: nil).

## Notes (continued)

### 5 Taxation

	2009 £	2008 £
<i>Analysis of tax (credit)/charge in the year</i>		
<i>UK corporation tax</i>		
Current tax on loss for the year	7,881	247,674
Adjustments in respect of prior periods	-	-
	<hr/>	<hr/>
Tax on loss on ordinary activities	<u>7,881</u>	<u>247,674</u>

#### *Factors affecting the tax(credit)/ charge for the current year*

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

	2009 £	2008 £
<i>Current tax reconciliation</i>		
Loss on ordinary activities before tax	(181,983)	(735,727)
	<hr/>	<hr/>
Current tax at 28% (2008: 30 %)	(50,955)	(220,718)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	182,251	245,084
Income not taxable	(39,550)	-
Utilisation of tax losses b/fwd	(83,865)	-
Adjustments in respect of prior periods	-	(272,040)
	<hr/>	<hr/>
Total current tax (credit)/charge	<u>7,881</u>	<u>(247,674)</u>

#### Factors that may affect future tax charges

The company has no recognised deferred tax assets or liabilities. (2008: nil)

### 6 Debtors

	2009 £	2008 £
<i>Amounts recoverable within one year</i>		
Other debtors	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

## Notes (continued)

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

	2009 £	2008 £
Trade creditors	252	29,843
Amounts owed to group undertakings	138,575	35,774
Taxation and social security	-	49,815
Corporation tax creditor	328,856	320,975
	<hr/> 467,683 <hr/>	<hr/> 436,407 <hr/>

### 8 Provisions for liabilities and charges

	Onerous lease Provision £
At beginning of year	783,743
Utilised during the year	(720,276)
Released during the year	(104,688)
Additional charge in the year	41,221
	<hr/> -
At end of year	<hr/> -

The onerous lease provision related to leases which have reverted to the company due to The Works going into liquidation. These leases have been surrendered during the year and no further costs are expected to be incurred.

### 9 Called up share capital

	2009 £	2008 £
<i>Authorised</i>		
500,000 ordinary shares of £1 each	500,000	500,000
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
275,719 ordinary shares of £1 each	275,719	275,719
	<hr/>	<hr/>

### 10 Profit and loss account

	2009 £
Balance at beginning of year	(70,356)
Loss for the financial year	(189,864)
	<hr/>
<b>Balance at end of year</b>	<b>(260,220)</b>
	<hr/>

## Notes (continued)

### 11 Reconciliation of movement in shareholders' funds

	2009 £	2008 £
Balance at beginning of year	205,363	693,416
Loss for the financial year	(189,864)	(488,053)
	<hr/>	<hr/>
Balance at end of year	15,499	205,363
	<hr/>	<hr/>

### 12 Operating lease commitments

At 31 March 2009, the company had no annual commitments under non-cancellable operating leases.

### 13 Contingent liabilities

The company is party to the Network Distributing Group sterling and currency overdraft facility of up to £6,000,000 gross, £3,000,000 net, repayable on demand but subject to periodic review on the usual banking terms and to any intervening governmental restrictions or measures.

The company has given a guarantee to the bank for the indebtedness of its parent undertaking Network Distributing Limited and its fellow subsidiary undertakings. The liability of these companies was £3,252,785 (2008: £2,735,325).

### 14 Related party transactions

At 31 March 2009, the company's ultimate parent undertaking was Virgin Group Holdings Limited, a company incorporated in the British Virgin Islands, whose principal shareholders are certain trusts, none of which individually has a controlling interest in the company. The principal beneficiaries of those trusts are Sir RCN 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 FRS 8.

There were no related party transactions during the year that require disclosure.

### 15 Parent undertaking of larger group of which company is a member

The immediate parent company of Windguard Limited is Network Distributing Limited, a company incorporated in Great Britain and registered in England and Wales. The largest group into which the results of the company are consolidated is those of Barfair Limited, a company registered in England and Wales. The smallest group in which they are consolidated is that headed by Network Distributing Limited. The consolidated accounts of both companies may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.