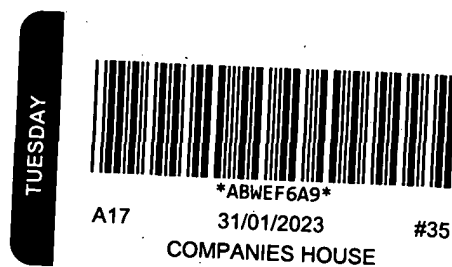


Virgin Atlantic Foundation
(A company limited by guarantee)

Annual report and financial statements

For the year ended 30 April 2022

Charity number: 1097580
Company number: 04684704



Virgin Atlantic Foundation

Annual report and financial statements 30 April 2022

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Virgin Atlantic Foundation

Annual Report and financial statements 30 April 2022

Reference and administrative details

The Trustees who held office during the year and to the date of this report were as follows:

E Hollingsworth
S Roddie
I M J de Sousa (resigned 1st September 2020)
K McNally (appointed 21st January 2022)
E Taplin (appointed 21st January 2022)
P Wardlaw (appointed 21st January 2022)

Secretary

K Bristol

Company number

04684704 – Registered in England and Wales

Charity number

1097580 – Charity Commission for England and Wales

Registered office

Company Secretariat
The VHQ
Fleming Way
Crawley
West Sussex
RH10 9DF

Auditor

KPMG LLP
15 Canada Square
London
E14 5GL

Bankers

Lloyds Bank Plc
City Office
PO Box 72
Bailey Drive
Gillingham Business Park
ME8 0LS

Solicitors

Harbottle & Lewis LLP
7 Savoy Court
London
WC2R 0EX

Virgin Atlantic Foundation

Report of the Trustees for the year ended 30 April 2022

The Trustees are pleased to present their annual Trustees' report together with the audited financial statements of the charity for the year ended 30 April 2022.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Our purpose and activities

The purposes of the charity are:

- To alleviate sickness, poverty and distress affecting children in the United Kingdom and around the world; and
- to further any purposes which may be charitable in accordance with the laws of England and Wales as the charity may decide

These objectives are for the public benefit.

The Trustees confirm that they have referred to the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)', when reviewing the charity's aims and objectives, planning future activities and setting the grant making policy for the year. The Trustees are confident that the charity's activities are fully in line with public benefit requirements.

The charity's aims and objectives are achieved by the following strategies:

- By continuing our partnership with Virgin Atlantic Airways Limited to raise funds through the 'Change for Children' fundraising initiative, whereby spare change and foreign currency is collected on board flights; and
- By continuing to support Virgin Atlantic's staff to raise funds through charitable events and 'adventures'; and
- By responding to international crises / events by specifically raising funds for Save The Children to provide relief in real time emergency situations.

Donations are made in accordance with the objects of the charity. The charity also aims to identify projects which will achieve the maximum benefit with the funding received.

Achievements and performance

During the year, donations of £251,147 (*year ended 30 April 2021: £68,340*) were received. The charity advanced donations and grants of £639,539 (*year ended 30 April 2021: £107,291*) to causes chosen in accordance with the objects of the charity.

Further beneficiaries in the year include:

- Grants of £65,121 were advanced to Save The Children to aid the charity in their missions to support their Children's Emergency Fund.
- Chestnut Tree House received donations of £5,463 to support 300 children and young adults with life-shortening conditions.

Virgin Atlantic Foundation

Report of the Trustees for the year ended 30 April 2022 *(continued)*

Through our partnership with Virgin Atlantic Airways Limited, we've continued the "Change for Children" fundraising initiative by collecting spare change and foreign currency on board Virgin Atlantic flights, through collections in Travelex shops and Virgin Atlantic staff collections.

Plans for future periods

The Trustees intend to continue to raise funds principally to support charities that alleviate sickness, poverty and distress affecting children in the United Kingdom and around the world.

The Trustees continued to seek new charity partners in order for the Foundation to best meet its objectives and has agreed to working relationships with Speakers for Schools, the Smallpeice Trust and The UN Refugee Agency as part of the Passport to Change programme, Virgin Atlantic's initiative to support Science, Technology, Engineering and Maths learning for young people. Please refer to note 7 for further detail.

Financial review and key policies

During the year, total donations of £174,053 (*year ended 30 April 2021: £24,349*) were raised through on-board collections and various staff fundraising initiatives. This increase in donations reflects the return of passenger travel and fundraising initiatives following the COVID-19 pandemic.

In order to comply with FRS 102 and the Charities SORP (FRS 102) the charity includes both donated gifts and services and the associated costs in the accounts. These are costs that relate to the charity but have been borne by external parties, and are treated as donated gifts and services. The donations cover some of the costs of generating funds and the governance costs of the charity. The donated gifts and services were £77,094 in the year (*30 April 2021: £43,991*).

Investment policy

Available funds have to date been held on deposit with our bankers. The charity does not invest in longer term investments as the charity's policy is to donate funds raised to the cause for which they were raised without delay. Under the Memorandum and Articles of Association, the charity has the power to make any investment which the Trustees see fit.

Reserves policy and going concern

It is the policy of the charity to maintain unrestricted income funds, which are the free reserves of the charity, at a level that is sufficient to cover a minimum of six months unrestricted expenditure. This provides sufficient funds to cover administration costs that are estimated to be no more than £1,000. The unrestricted income funds balance as at 30 April 2022 was £2,769 (*30 April 2021: £2,769*).

Despite Covid-19 having an impact on the charity's financial performance during the year, the financial position remains strong. The charity has no debt financing and an ongoing source of income through the 'Change for Children' fundraising programme and the continuing partnership with Virgin Atlantic Airways Limited. The balance sheet is in a strong position with unrestricted income funds in excess of those required.

The Trustees note that the charity does not have any expenditure commitments beyond the administration costs mentioned above, and are therefore of the view that the charity is a going concern. However, we note that a material uncertainty exists as a result of the charity being reliant upon Virgin Atlantic Airways Limited for generating donations and income. Refer to note 1b for further details.

Virgin Atlantic Foundation

Report of the Trustees for the year ended 30 April 2022 *(continued)*

Financial review and key policies *(continued)*

Structure, governance and management

Governing document

Virgin Atlantic Foundation is a company limited by guarantee governed by its Memorandum and Articles of Association, dated 26 February 2003. It is a registered charity with the Charity Commission.

There are currently five members, each of whom agrees to contribute £1 in the event of the charity winding up.

Appointment of Trustees

Trustees are appointed by a majority vote of the Trustees serving at the time.

Trustee induction

Induction of new Trustees is performed by the Community and Sustainability Department of Virgin Atlantic Airways Limited. Amongst other things new Trustees are provided with minutes of previous meetings, information on principle charity partner programmes, and details of Save The Children's role as our emergency disaster relief partner for one off appeals.

Organisation

The charity is organised so that the Trustees meet as necessary to manage its affairs.

In accordance with the Articles of Association of the charity, decisions are made by the Trustees on the basis of majority voting. The board normally meets bi-annually.

Employees

There were no employees during the year ended 30 April 2022 *(year ended 30 April 2021: no employees)*.

Political donations

No political donations were made during the year ended 30 April 2022 *(year ended 30 April 2021: none)*.

Virgin Atlantic Foundation

Report of the Trustees for the year ended 30 April 2022 *(continued)*

Financial review and key policies *(continued)*

Risk management

The Trustees have considered the major strategic and operational risks that the charity faces and systems have been established to mitigate these risks. These risks are identified as theft of the donations received and fraud on the part of recipients of the charity's grants.

To mitigate risks the Trustees have put in place relevant controls, the most notable of which are:

- Segregation of duties between staff accounting for income & expenditure and staff banking cash and making payments from the charity's bank account.
- Payment authorisation: payments are only authorised after review by the VAA Community Executive and written approval by a Trustee to whom the appropriate authority has been delegated.
- Monitoring of the level of cash received from flight collections and of donations received through staff fundraising.
- Donation envelopes from customers on flights are collected by the crew and placed in a sealed bag. The sealed bags are deposited at banking machines at each UK airport by cabin service supervisors. Receipts are received for each deposit. This allows tracking of donation bags from initial deposit to actual receipt. During transit cash is locked in a secure locker on-board the aircraft.

The Trustees have also considered risks external to the charity, in particular how a global or UK economic slowdown may adversely affect the level of donations received.

Statement of Trustees' responsibilities in respect of the Trustees' Report and the financial statements

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

Company law requires the Trustees to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the Trustees 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 charitable company and of the income and expenditure for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

Virgin Atlantic Foundation

Statement of Trustees' responsibilities in respect of the Trustees' Report and the financial statements (cont'd)

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the board of Trustees

Philip Wardlaw

P Wardlaw
26 January 2023
Trustee
Company Secretariat
The VHQ
Fleming Way
Crawley
West Sussex
RH10 9D

Independent auditor's report to the members of Virgin Atlantic Foundation Limited

Opinion

We have audited the financial statements of Virgin Atlantic Foundation ("the charitable company") for the year ended 30 April 2022 which comprise the Statement of Financial Activities, Balance Sheet, Cash flow statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 April 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charitable company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1b to the financial statements which indicates that the charitable company's ability to continue as a going concern is reliant upon Virgin Atlantic Airways Limited generating donations and income.

The financial statements of Virgin Atlantic Airways Limited for the year ended 31 December 2021 dated 25 March 2022 include material uncertainties related to going concern and therefore the ability to generate donations and income may be in doubt. These events and conditions, along with the other matters explained in note 1b, constitute a material uncertainty that may cast significant doubt on the charitable company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Going concern basis of preparation

The directors have prepared the financial statements on the going concern basis. As stated above, they have concluded that a material uncertainty related to going concern exists.

Based on our financial statements audit work, we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of management as to the charitable company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud;
- reading the Trustees' board meeting minutes;
- using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that the charitable company's management may be in a position to make inappropriate accounting entries, and the risk of fraudulent revenue recognition and in particular that management may be in a position to make inappropriate accounting entries record revenue in the wrong period.

Virgin Atlantic Foundation

Independent auditor's report to the members of Virgin Atlantic Foundation Limited (cont.)

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with management (as required by auditing standards), and discussed the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The charitable company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related charities and companies legislation) and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the charitable company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The Trustees are responsible for the other information, which comprises the Trustees' Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Trustees' Report is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Virgin Atlantic Foundation

Independent auditor's report to the members of Virgin Atlantic Foundation Limited (cont.)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- the charitable company has not kept adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 7, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Joanne Lees (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square, London, E14 5GL

27 January 2023

Virgin Atlantic Foundation

Statement of financial activities (including income and expenditure account) for the year ended 30 April 2022

		Unrestricted funds	Restricted funds	Total funds 2022	Total funds 2021
		£	£	£	£
	Note				(Note 19)
Income					
Donations	3	143,460	107,687	251,147	68,340
Other incoming resources	4	-	-	-	901,077
Total income		<u>143,460</u>	<u>107,687</u>	<u>251,147</u>	<u>969,417</u>
Expenditure					
<i>Costs of raising funds:</i>					
Charitable operations	5	14,984	-	14,984	6,313
<i>Expenditure on charitable activities:</i>					
Donations, governance and support costs	6	598,084	107,687	705,771	145,948
Total expenditure		<u>613,068</u>	<u>107,687</u>	<u>720,755</u>	<u>152,261</u>
Net income/(expenditure) and net movement in funds in the year	9	(469,608)	-	(469,608)	817,156
Reconciliation of funds					
Fund balances as at 1 May 2021		2,769	817,156	819,925	2,769
Transfer of funds between reserves	10	817,156	(817,156)	-	
Fund balances as at 30 April 2022	16	<u>350,317</u>	<u>-</u>	<u>350,317</u>	<u>819,925</u>

All of the above results are derived from continuing activities.

The attached notes form part of these financial statements.

Virgin Atlantic Foundation

Balance sheet as at 30 April 2022

		30 April 2022	30 April 2021
		£	£
	<i>Note</i>		
Current assets			
Debtors	14	35,290	11,824
Cash at bank and in hand		480,385	917,308
		<u>515,675</u>	<u>929,132</u>
Liabilities			
Creditors falling due within one year	15	(165,358)	(109,207)
Net assets		<u>350,317</u>	<u>819,925</u>
The funds of the charity:			
Unrestricted income funds	16	350,317	2,769
Restricted income funds	16	-	817,156
Fund balances	16	<u>350,317</u>	<u>819,925</u>

These financial statements were approved by the Trustees on 23 January 2023 and were signed on their behalf by:

Philip Wardlaw

P Wardlaw
Trustee

The attached notes form part of these financial statements.

Virgin Atlantic Foundation

Statement of cash flows for the year ended 30 April 2022

		30 April 2022	30 April 2021
		£	£
	<i>Note</i>		
Cash flows from operating activities:	18	(436,923)	793,137
Increase / (decrease) in cash and cash equivalents in the year		(436,923)	793,137
Cash and cash equivalents at the beginning of the year		917,308	124,171
Cash and cash equivalents at the end of the year		480,385	917,308

The attached notes form part of these financial statements.

Virgin Atlantic Foundation

Notes to the financial statements

1. Accounting policies

The principal accounting policies adopted in the preparation of the financial statements are as follows:

(a) *Basis of preparation*

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Virgin Atlantic Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The Trustees were entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

(b) *Going concern*

After making enquiries, the Trustees have reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Further, Virgin Atlantic Airways Limited has given the necessary assurances that sufficient resources will be made available so that the charity can meet its liabilities as and when they fall due, for at least twelve months from the date of approval of these financial statements.

However it is to be noted that the financial statements of Virgin Atlantic Airways Limited for the year ended 31 December 2021 dated 25 March 2022 include material uncertainties related to going concern and therefore the ability for the charity to generate donations and income may be impacted, should Virgin Atlantic Airways Limited fail, the charity would struggle to undertake its charitable objectives given its strong links. In addition the availability of support may be in doubt if required. As such this causes a material uncertainty to the future operations of the charity, and could cast significant doubt upon the charity's ability to continue as a going concern.

Based on the above the Trustees believe it remains appropriate to prepare the financial statements on a going concern basis. However, this material uncertainty may cast significant doubt on the charity's ability to continue as a going concern, and, therefore, to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

(c) *Fund accounting*

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the Trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for a particular purpose by the charity.

Virgin Atlantic Foundation

Notes to the financial statements *(continued)*

1. Accounting policies *(continued)*

(d) *Income*

Income is recognised once the charity has entitlement to income, it is probable that income will be received and the amount of income can be measured reliably. The following specific policies are applied to particular categories of income:

- Donations are recognised on a receipts basis

All donations were made by individuals either directly to the charity, via the Virgin Money Giving website, on-board Virgin Atlantic flight collections and collection boxes in Travelex shops.

- Gifts and donated services

Gifts and donated services are recognised as income when the economic benefit is received by the charity and when the economic benefit can be reliably measured.

On receipt, gifts and donated services are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

- Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

(d) *Expenditure and irrecoverable VAT*

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of generating funds

This consists of costs directly attributable to raising funds.

Substantially all of the costs are attributable to the 'Change for Children' on-board flight collections, being:

- Currency handling fees, related to on-board flight collections, are charged to the charity at a rate of 3% of the pound sterling value of donations made.
- Envelope insertion fees to cover the cost of inserting the Change for Children envelopes into the passenger headsets.
- Costs for donation envelopes, on-board collection secure bags and maintenance of banking machines.

Virgin Atlantic Foundation

Notes to the financial statements *(continued)*

1. Accounting policies *(continued)*

- Expenditure on charitable activities

This consists of donations and grants paid, substantially to Save the Children, governance and support costs.

(e) *Expenditure and irrecoverable VAT (continued)*

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs are comprised of the back office administrative costs of the charity.

Governance and support costs are allocated on a basis that reflects the use of the resource. Costs relating to particular activities are allocated directly or otherwise apportioned on the basis of time spent.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

(f) *Debtors*

Debtors are recognised at the settlement amount due. In the case of unremitted 'Change for Children' donations this is net of 3% currency handling fees payable.

(g) *Cash at bank and in hand*

This is comprised solely of cash on deposit and cash in hand.

(h) *Creditors*

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

(i) *Impact of new International Financial Reporting Standards*

Management has considered the impact on the Company of new accounting standards; none are noted.

2. Legal status of the charity

The charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

Virgin Atlantic Foundation

Notes to the financial statements (continued)

3. Income from donations and legacies

	Year ended 30 April 2022 £	Year ended 30 April 2021 £
Donations and legacies	174,053	24,349
Gifts and donated services	77,094	43,991
	<u>251,147</u>	<u>68,340</u>

Of the income from donations and legacies, £66,366 was unrestricted and £107,687 was restricted (2021: £38,657 unrestricted, £29,683 restricted). The largest source of income was £141,785 in donations received through on-board collections.

4. Other incoming resources

After 30 April 2020, WE announced that it had re-evaluated its worldwide operations in the light of the ongoing COVID-19 pandemic, and, as a result, had decided that it would no longer have a physical presence in the UK. As a response to this decision, the Trustees decided to end the existing partnership with WE Charity on 9 September 2020. The Virgin Atlantic Foundation was reimbursed £765,232 of funds previously granted to WE Charity in the 2019/20 financial year. A further obligation of £135,845 accrued towards WE Charity was released. These amounts have been presented separately under other incoming resources in the Statement of Financial Activities and are recognised as restricted funds within the accounts.

There were no other incoming resources in 2022.

5. Analysis of costs of raising funds:

Charitable operations

	Year ended 30 April 2022 £	Year ended 30 April 2021 £
Envelope insertion fees	7,596	2,132
Currency handling fees	4,069	950
Secure collection bags	3,266	3,202
Other	53	29
	<u>14,984</u>	<u>6,313</u>

Virgin Atlantic Foundation

6. Analysis of expenditure on charitable activities:

Fundraising activities and the advancing of grants

	<i>Note</i>	Year ended 30 April 2022 £	Year ended 30 April 2021 £
Donations and grants paid	7	639,539	107,291
Governance costs	8	25,690	17,533
Support costs	8	40,542	21,124
		705,771	145,948

Of the expenditure on charitable activities, £531,852 (2021: £36,657) was unrestricted and £107,687 (2021: £107,291) was restricted.

7. Donations and grants paid

The charity awarded grants to certain beneficiaries in the year:

Beneficiary	Charitable purpose	Year ended 30 April 2022 £	Year ended 30 April 2021 £
Chestnut Tree House	To support children and young adults with life-shortening conditions.	5,463	7,939
Cranfield University	To support education in science, engineering, design, technology and management	50,000	-
Save The Children	To aid the charity in their missions to support various Emergency Funds.	65,121	99,352
Smallpeice Trust	To inspire young people to pursue careers in science and engineering through events and workshops	44,550	-
Speakers for Schools	To help young people access the top opportunities through free inspiring school talks & eye-opening onsite & virtual work.	78,600	-
Trussell Trust	To support in ending the need for food banks in the UK	7,790	-
UNHCR	To aid the charity in supporting more refugees	313,506	-
World Health Organisation – Go Give One	Supporting Covid-19 vaccines for everyone, everywhere	74,508	-

Virgin Atlantic Foundation

Notes to the financial statements (continued)

8. Analysis of governance and support costs

Governance and support costs are allocated on a basis that reflects the use of the resource. Costs relating to particular activities are allocated directly or otherwise apportioned on the basis of time spent.

	Governance	General support	Year ended 30 April 2022	Year ended 30 April 2021
	£	£	£	£
Administrative staff support costs	-	18,992	18,992	17,999
Fundraising staff support costs	-	21,550	21,550	3,125
Accounting and compliance staff costs	3,850	-	3,850	4,033
Audit fees	21,840	-	21,840	13,500
	<u>25,690</u>	<u>40,542</u>	<u>66,232</u>	<u>38,657</u>

9. Net income/(expenditure) for the year

This is stated after charging:

	Year ended 30 April 2022	Year ended 30 April 2021
	£	£
Auditor's remuneration:		
Audit fees	21,840	13,500
	<u>21,840</u>	<u>13,500</u>

10. Transfer of funds between reserves

During the year, the decision was taken to transfer reserves previously classified as restricted to unrestricted reserves. This was in order to better reflect the ability to use the funds returned by WE to support causes aligned to the foundation's objectives and to align more closely to the foundation's accounting policy. Please refer to note 16 to see the transfer between reserves.

11. Trustees' remuneration and staff

The Trustees neither received nor waived any emoluments during the year. The Trustees were not reimbursed by the charity for any expenses incurred during the current or prior year. No charity Trustee received payment for professional or other services during the current or prior year.

There were no employees during this or the prior year; hence an average monthly headcount is not disclosed.

Virgin Atlantic Foundation

Notes to the financial statements *(continued)*

12. Related party transactions

The charity was set up by, and enjoys a close relationship with, Virgin Atlantic Airways Limited.

Donated gifts and services of £77,094 (2021: £43,991), were made to cover a portion of the costs of raising funds, governance and support costs charged in the year. These costs were borne by Virgin Atlantic Airways Limited. Costs of generating funds include the procurement of secure collection bags, donation envelopes, the maintenance of banking machines and the cost of staff working for the charity in their capacity as Virgin Atlantic Airways employees. Governance costs include audit fees and the value of accounting and compliance support provided by Virgin Atlantic Airways staff.

13. Corporation tax

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

14. Current assets: Debtors

	30 April 2022 £	30 April 2021 £
Other debtors	35,290	11,824

15. Liabilities: Creditors falling due within one year

	30 April 2022 £	30 April 2021 £
Other creditors	165,358	109,207

Virgin Atlantic Foundation

Notes to the financial statements *(continued)*

17. Analysis of net assets between funds

	30 April 2022		
	Unrestricted funds £	Restricted funds £	Total £
Debtors	13,243	22,047	35,290
Cash at bank and in hand	410,300	70,085	480,385
Creditors falling due within one year	(73,226)	(92,132)	(165,358)
Total	350,317	-	350,317

	30 April 2021		
	Unrestricted funds £	Restricted funds £	Total £
Debtors	-	11,824	11,824
Cash at bank and in hand	2,769	914,539	917,308
Creditors falling due within one year	-	(109,207)	(109,207)
Total	2,769	817,156	819,925

18. Reconciliation of net movement in funds to net cash flow from operating activities

	30 April 2022	30 April 2021
	£	£
Net movement in funds	(469,608)	817,156
(Increase) in debtors	(23,466)	23,135
Increase in creditors	56,152	(47,154)
Net cash from / (used in) operating activities	(436,923)	793,137

Virgin Atlantic Foundation

Notes to the financial statements *(continued)*

19. Statement of financial activities: funds summary for the year ended 30 April 2021

	Unrestricted funds	Restricted funds	Total funds 2021	Total funds 2020
<i>Note</i>	£	£	£	£
Income				
Donations	38,657	29,683	68,340	947,004
Other incoming resources		901,077	901,077	
Total income	<u>38,657</u>	<u>930,760</u>	<u>969,417</u>	<u>947,004</u>
Expenditure				
<i>Costs of raising funds:</i>				
Charitable operations	-	6,313	6,313	40,292
<i>Expenditure on charitable activities:</i>				
Donations, governance and support costs	38,657	107,291	145,948	906,712
Total expenditure	<u>38,657</u>	<u>113,604</u>	<u>152,261</u>	<u>947,004</u>
Net income/(expenditure) and net movement in funds in the year	-	817,156	817,156	-
Reconciliation of funds				
Fund balances as at 1 May 2020	2,769	-	2,769	2,769
Fund balances as at 30 April 2021	<u>2,769</u>	<u>817,156</u>	<u>819,925</u>	<u>2,769</u>

20. Post balance sheet events

There have been no post balance sheet events