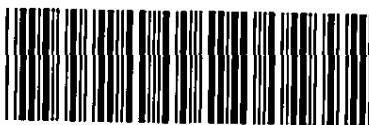


# **VHSA Holdings Limited**

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

Registered number 5323394  
For the year ended 31 March 2009

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## Directors' report

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

### Principal activities

The principal activity of the Company is that of an investment holding company.

### Review

The results for the year are set out on page 4 of the financial statements and the profit for the year of CHF 15,844,171 has been transferred to reserves (2008: CHF 14,996,492).

### Proposed dividend

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

### Directors

The directors of the Company during the year were as follows:

G D McCallum

P C K McCall

J Bayliss

### 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 A R Gerrard**  
*Company Secretary*

The School House  
50 Brook Green  
London  
W6 7RR  
11 November 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 the directors 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 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; 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 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.

## **Independent auditors' report to the members of VHSA Holdings Limited**

We have audited the financial statements of VHSA Holdings Limited for the period ended 31 March 2009 which comprise the Profit and Loss Account, 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. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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**

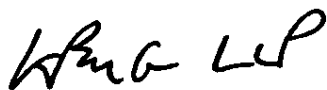
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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.

### **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 profit for the year then ended;
- 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**  
*Chartered Accountants*  
*Registered Auditor*

8 Salisbury Square  
London  
EC4Y 8BB

**13** November 2009

**Profit and loss account**  
*for the year ended 31 March 2009*

	<i>Notes</i>	<b>Year ended 31 March 2009</b>	<b>Year ended 31 March 2008</b>
		<b>CHF</b>	<b>CHF</b>
Interest receivable and similar income	4	24,237,003	19,911,540
Interest Payable and similar charges	5	(3,056,213)	-
<b>Profit on ordinary activities before taxation</b>	2	<b>21,180,790</b>	<b>19,911,540</b>
Tax on profit on ordinary activities	6	(5,336,619)	(4,915,048)
<b>Profit for the year</b>		<b>15,844,171</b>	<b>14,996,492</b>

There were no recognised gains or losses in the current or preceding years other than those shown above, which were derived from continuing operations, consequently a statement of total recognised gains and losses has not been presented.

The notes on pages 6 to 10 form part of these financial statements.

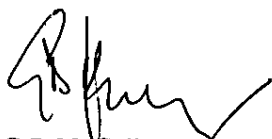
## Balance sheet

At 31 March 2009

	Notes	2009 CHF	2008 CHF
<b>Fixed Assets</b>			
Investments	7	135,575,523	135,575,523
<b>Current assets</b>			
Debtors (including CHF 494,286,465 (2008: CHF 516,835,616) due after more than one year)	8	713,794,434	516,835,620
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	9	(178,362,675)	(17,612,763)
<b>Net current assets</b>		<b>535,431,759</b>	<b>499,222,857</b>
<b>Net assets</b>		<b>671,007,282</b>	<b>634,798,380</b>
<b>Capital and reserves</b>			
Ordinary share capital	10	2,444	2,442
Share premium account	11	655,937,815	635,573,086
Profit and Loss Account	12	15,067,023	(777,148)
<b>Shareholders' funds</b>	13	<b>671,007,282</b>	<b>634,798,380</b>

The notes on pages 6 to 10 form part of these financial statements.

These financial statements were approved by the board of directors on 11 November 2009 and were signed on its behalf by:



G D McCallum  
Director

## Notes

### 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 accounting*

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

#### *Basis of preparation*

The Company is exempt by virtue of s248 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

Under Financial Reporting Standard 1 (revised 1996) 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.

#### *Investments*

Investments in subsidiaries are shown at cost less amounts written off.

#### *Taxation*

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 Financial Reporting Standard 19.

A net 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.

### 2 Profit on ordinary activities before taxation

Audit fees for the period are to be borne by another group company.

### 3 Remuneration of directors

The directors did not receive any remuneration during the year for services to the Company (2008: CHF nil).



## Notes (continued)

### 4 Interest receivable and similar income

	Year ended 31 March 2009 CHF	Year ended 31 March 2008 CHF
Receivable from group undertakings	24,237,002	16,835,616
Net exchange gains	-	3,075,924
	<u>24,237,002</u>	<u>19,911,540</u>

### 5 Interest payable and similar charges

	Year ended 31 March 2009 CHF	Year ended 31 March 2008 CHF
Payables to group undertakings	26,658	-
Net exchange losses	3,029,555	-
	<u>3,056,213</u>	<u>-</u>

### 6 Taxation

#### Analysis of charge in year

	Year ended 31 March 2009 CHF	Year ended 31 March 2008 CHF
<i>UK Corporation tax</i>		
Current tax charge on income for the period	5,337,163	5,050,685
Adjustments in respect of prior periods	(544)	(135,637)
	<u>5,336,619</u>	<u>4,915,048</u>

#### Factors affecting the tax charge for the current year

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

	Year ended 31 March 2009 CHF	Year ended 31 March 2008 CHF
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	21,180,790	19,911,540
Current tax at 28% (2008: 30%)	5,930,621	5,973,462
<i>Effects of:</i>		
Expenses not deductible for tax	7,717	-
Income not taxable	(601,175)	(922,777)
Adjustments in respect of prior periods	(544)	(135,637)
	<u>5,336,619</u>	<u>4,915,048</u>
Total current tax charge (see above)	<u>5,336,619</u>	<u>4,915,048</u>

## Notes (continued)

### 7 Fixed asset investments

	Investment in subsidiaries CHF
Cost and net book value	
At beginning and end of year	135,575,523

The company in which the company's interest at the year end is more than 20% is as follows:

	Country of Registration	Principal Activity	Holding %	No. of Shares	Type of Share
<i>Subsidiary undertakings</i>					
Virgin Holdings SA (in liquidation)	Switzerland	Investment Holdings	100%	103,243	Class A Preference Shares
				999	Class B Ordinary Shares

### 8 Debtors due after one year

	2009 CHF	2008 CHF
Amounts owed by group undertakings (including CHF 494,286,465 (2008: CHF516,835,616) due after more than one year)	713,794,434	516,835,620

The loan due after more than one year owed by group undertakings is for a fixed duration ending 31 December 2010.

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

	2009 CHF	2008 CHF
Amounts owed to group undertakings	157,560,345	-
Corporation tax	20,802,330	17,612,763
	178,362,675	17,612,763

## Notes (continued)

### 10 Called up share capital

	2009 £	2009 CHF	2008 £	2008 CHF
<b>Authorised</b>				
1,000 ordinary shares of £1 each	1,000	2,442	1,000	2,442
Additions: 1,000 ordinary shares of £1 each	1,000	837	-	-
	<u>2,000</u>	<u>3,279</u>	<u>1,000</u>	<u>2,442</u>
<b>Total</b>	<b>2,000</b>	<b>3,279</b>	<b>1,000</b>	<b>2,442</b>
 <b>Allotted, called up and fully paid</b>				
1,000 ordinary shares of £1 each	1,000	2,442	1,000	2,442
Additions: 1 ordinary share of £1 each	1	2	-	-
	<u>1,001</u>	<u>2,444</u>	<u>1,000</u>	<u>2,442</u>

On 28 January 2009, the authorised share capital of the Company was increased from £1,000 to £2,000. These shares rank *pari passu* in all respects with the existing ordinary shares.

On 31 January 2009, the Company issued one ordinary share of £1 (CHF 2) to Cricket SA for consideration of CHF 20,364,731 (£12,412,303.70), resulting in a share premium being issued of CHF 20,364,729 (£12,412,302.70). The consideration was settled by way of Cricket SA assigning its creditor rights of certain group debts to the Company.

### 11 Share premium account

	Share premium account CHF
At beginning of year	635,573,086
Premium on issue of share (see note 10)	20,364,729
	<u>655,937,815</u>
At end of year	<b>655,937,815</b>

### 12 Retained profit and loss account

	Profit and loss account CHF
At beginning of year	(777,148)
Profit for the year	15,844,171
	<u>15,067,023</u>
At end of year	<b>15,067,023</b>

## Notes (continued)

### 13 Reconciliation of shareholders' funds

	2009 CHF	2008 CHF
Opening shareholders' funds	634,798,380	619,801,888
Profit for the year	15,844,171	14,996,492
New share capital issued (see note 10)	2	-
Premium on issue of share (see note 10)	20,364,729	-
	<hr/>	<hr/>
Closing shareholders' funds	671,007,282	634,798,380
	<hr/>	<hr/>

### 14 Related party disclosures

At 31 March 2009 the Company's ultimate parent undertaking was Virgin Group Holdings Limited, whose principal shareholders are 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 Investments Limited have interests directly or indirectly in certain other companies which are considered to give rise to related party disclosures under Financial Reporting Standard No. 8.

As a 100% owned subsidiary of Virgin Wings Limited, the company has taken advantage of the exemption under Financial Reporting Standard 8: Related Party Disclosures, which enables it to exclude disclosure of transactions with Virgin Wings Limited and its subsidiaries.

	Related undertakings 2009 CHF	Related undertakings 2008 CHF
Debtors	199,028,841	5

The related undertakings which the Company transacted with during the year were Virgin Group Finance LP and Virgin Retail Holdings Ltd (2007: Millevere Holdings Ltd).

### 15 Ultimate parent company

At 31 March 2009, the Company's ultimate parent undertaking was Virgin Group Holdings Limited, a company incorporated in the British Virgin Islands.

The largest and smallest groups into which the Company's results are consolidated are those of Virgin Wings Limited and Virgin Holdings Limited respectively, both companies of which are registered in England and Wales. The consolidated accounts of those groups can be obtained from Companies House, Crown Way, Cardiff CF14 3UZ.

### 16 Post Balance sheet events

On 30 July 2009, £300,000 was distributed by Virgin Holdings SA to the company, the sole shareholder of Virgin Holdings SA, as approved by the liquidator of Virgin Holdings SA.