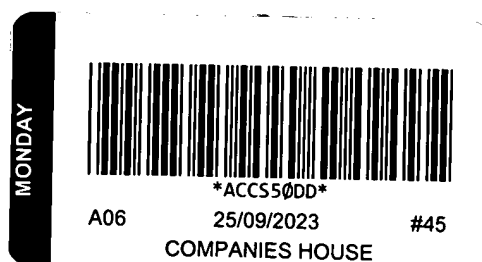


VA Cargo Limited

Annual report and financial statements

31 December 2022

Registered number: 02645535



Annual report and financial statements

Contents	Page
Strategic report	1
Directors' report	2
Directors' responsibilities statement in respect of the annual report and the financial statements	3
Independent auditors' report to the members of VA Cargo Limited	4
Profit and loss and total comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Notes to the financial statements	9

Strategic report

Registered number: 02645535

The directors present their annual report and the audited financial statements of VA Cargo Limited ("the Company") for the year ended 31 December 2022.

Principal activities

The Company ceased trading in September 2020. The principal activity of the Company was the management of air freight operations (and all matters relating thereto, including selling and ground handling) on behalf of third parties.

Business review and key performance indicators

The Company's trading results are stated on page 7 of the financial statements. In early March 2020, the Company confirmed the termination of its 10 year cargo partnership with Virgin Australia and ceased trading. Throughout 2022, the company has remained dormant.

The strategic report was approved by the Board of Directors on 22 September 2023 and signed on its behalf by



Julian Homerstone
Company Secretary

Registered office:
Company Secretariat
The VHQ, Fleming Way
Crawley, West Sussex
RH10 9DF

Directors' report

Registered number: 02645535

Directors and directors' interests

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

Juha Jarvinen
Cornelis Koster
Shai Weiss
Oliver Byers

Dividends

No dividend was declared during the year (*prior year: £nil*).

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

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 auditor is unaware and each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The directors' report was approved by the Board of Directors on 22 September 2023 and signed on its behalf by:



Julian Homerstone
Company Secretary

Registered office:
Company Secretariat
The VHQ, Fleming Way
Crawley, West Sussex
RH10 9DF

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, 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), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 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 judgements 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;
- assess the 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 company or to cease operations, or have no realistic alternative but to do so (as explained in note 3, 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 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 Company and to prevent and detect fraud and other irregularities.

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



Independent auditor's report to the members of VA Cargo Limited

Opinion

We have audited the financial statements of VA Cargo Limited ("the company") for the year ended 31 December 2022 which comprise the Profit or loss and total comprehensive income, Statement of financial position, Statement of changes in equity and related notes, including the accounting policies in note 3. These financial statements have not been prepared on the going concern basis for the reason set out in note 3.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, 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 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.

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 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 Directors' 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 company's management may be in a position to make inappropriate accounting entries.

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 company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related 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 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.



Independent auditor's report to the members of VA Cargo Limited (continued)

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.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report 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 strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

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:

- adequate accounting records have not been kept, 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 directors' 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.

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors 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 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 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.



Independent auditor's report to the members of VA Cargo Limited (continued)

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 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 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.

A handwritten signature in black ink, appearing to read 'Kevin Rose', written over a light blue horizontal line.

Kevin Rose (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
United Kingdom
22nd September 2023

Profit and loss and total comprehensive income

For the year ended 31 December 2022

	Note	For the year ended 31 December 2022 £	For the year ended 31 December 2021 £
Revenue		-	-
Cost of sales		-	-
Gross profit		<u>-</u>	<u>-</u>
Administrative Expenses		-	(596)
Loss before taxation	5	<u>-</u>	<u>(596)</u>
Tax on loss	6	-	(22,194)
Loss for the financial year		<u><u>-</u></u>	<u><u>(22,790)</u></u>

There are no recognised gains or losses other than the loss for the current or prior financial year.

The notes on pages 10 to 14 form part of these financial statements.

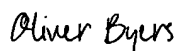
Statement of financial position

As at 31 December 2022

Registered number: 02645535

	Note	As at 31 December 2022 £	As at 31 December 2021 £
Current assets			
Trade and other receivables	7	2,614,820	2,614,820
		<u>2,614,820</u>	<u>2,614,820</u>
Current liabilities			
Trade and other payables	8	(1,403,797)	(1,403,797)
		<u>1,211,023</u>	<u>1,211,023</u>
Net assets			
		<u>1,211,023</u>	<u>1,211,023</u>
Capital and reserves			
Called up share capital	9	2	2
Retained earnings		1,211,021	1,211,021
		<u>1,211,023</u>	<u>1,211,023</u>

These financial statements were approved by the Board of Directors on 22 September 2023 and were signed on its behalf by:



Oliver Byers
 Director

The notes on pages 10 to 14 form part of these financial statements.

Statement of changes in equity

As at 31 December 2022

	Share capital	Retained earnings	Total
	£	£	£
Balance at 1 January 2021	2	1,233,811	1,233,813
Loss for the year	-	(22,790)	(22,790)
Balance at 31 December 2021	2	1,211,021	1,211,023
Balance at 1 January 2022	2	1,211,021	1,211,023
Profit for the year	-	-	-
Balance at 31 December 2022	2	1,211,021	1,211,023

The notes on pages 10 to 14 form part of these financial statements.

Notes to the financial statements

1 General information

The Company ceased trading in September 2020. The principal activity of the Company was the management of air freight operations (and all matters relating thereto, including selling and ground handling) on behalf of third parties.

The Company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is The VHQ, Fleming Way, Crawley, West Sussex, RH10 9DF.

2 Statement of compliance

The financial statements have been prepared in compliance with the provisions of FRS 102 (The Financial Reporting Standard applicable in the UK and Republic of Ireland) and the Companies Act 2006. There were no material departures from that standard.

The principal accounting policies adopted by the Group and the company are set out in note 3.

3 Principal accounting policies

The following accounting policies have been applied consistently in dealing with matters which are considered material in relation to the financial statements of the Company.

(a) Basis of preparation

The financial statements have been prepared on a breakup basis.

The VA Cargo Limited board of directors having regard to the principal risks and uncertainties which could impact the business consider that the preparation of the financial statements on a breakup basis is appropriate, on the basis that the Company is currently dormant awaiting liquidation. The directors are satisfied that the payables and receivables balances as at 31 December 2022 are recorded at fair value as the balances are due to / from the Company's parent, or subsidiaries of the parent.

Exemptions under FRS102

Under Financial Reporting Standard 102 (paragraph 1.12), the Company has taken the exemption from the requirement to prepare a cash flow statement. The Company's cash flows are included within the consolidated cash flow statement on page 19 of its parent company's (Virgin Atlantic Airways Limited) financial statements.

(b) Revenue recognition

Revenue arises entirely from the provision of cargo services in respect of flights operated in the accounting period.

(c) Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the statement of financial position date. All exchange differences are included in the income statement.

Notes to the financial statements *(continued)***(d) Taxation including deferred tax**

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 statement of financial position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position 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 statement of financial position 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 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.

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 statement of financial position date.

4 Employees

The Company had no employees during the year ended 31 December 2022 (2021: nil).

The directors did not receive any emoluments for their services to the Company in the year ended 31 December 2022 (2021: £nil); emoluments were received by the directors for their services to the immediate parent company, Virgin Atlantic Airways Limited. The Company considers that there is no practicable method to accurately allocate a portion of the emoluments the directors receive from their respective Group company employer to the qualifying services they provide to the company.

5 Profit before taxation

Fees payable to the Company's auditor (£9,000, 2021: £8,000) for the audit of the Company's annual accounts are borne by the parent company, Virgin Atlantic Airways Limited.

Notes to the financial statements *(continued)*

6 Income tax

Tax expense included in loss

	For the year ended 31 December 2022 £	For the year ended 31 December 2021 £
Current tax		
Adjustments in relation to prior years	-	22,194
Current tax charge	-	22,194
Total tax charge	-	22,194

Group relief payments are accounted for where losses will be surrendered to or from other Group companies.

Reconciliation of tax charge

The standard rate of UK corporation tax for the year is 19.00% (2021: 19.00%). The actual current tax charge for the period differs from the computed by applying the standard tax rate to the profit on ordinary activities before tax as reconciled below:

	For the year ended 31 December 2022 £	For the year ended 31 December 2021 £
Loss before taxation	-	(596)
Tax at the standard rate at 19.00 % (<i>prior year: 19.00 %</i>)	-	(113)
Factors affecting the charge for the year:		
Adjustments in relation to prior years	-	22,194
Expenses not deductible for tax purposes	-	113
Total tax charge	-	22,194

The Finance Act 2021 (substantively enacted on 24 May 2021) set the main corporation tax rate at 25% from April 2023. In addition, the Group continues to be directly and indirectly affected by new tax legislation. Changes in such legislation, regulation or interpretation could have an effect on the Group's operating results and financial position.

Notes to the financial statements *(continued)*

7 Current assets: Trade and other receivables

	As at 31 December 2022 £	As at 31 December 2021 £
Amounts owed by group undertakings	2,614,820	2,614,820
	<u>2,614,820</u>	<u>2,614,820</u>

Amounts owed by group undertakings include trading balances with the parent company Virgin Atlantic Airways Limited.

8 Current liabilities: Trade and other payables

	As at 31 December 2022 £	As at 31 December 2021 £
Group relief payable	1,403,797	1,403,797
	<u>1,403,797</u>	<u>1,403,797</u>

9 Share capital

	As at 31 December 2022 £	As at 31 December 2021 £
Allotted and fully paid		
2 ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

10 Related party transactions

As at 31 December 2022, the Directors consider the ultimate holding company to be Virgin Group Holdings Limited, a company registered in the British Virgin Islands. The sole shareholder of Virgin Group Holdings is Sir Richard Branson. Sir Richard Branson has interests directly or indirectly in certain other companies, which are considered to give rise to related party disclosures under IAS 24.

The Company had transactions in the ordinary course of business during the year ended 31 December 2022 and 31 December 2021 with related parties, as follows:

	As at 31 December 2022 £	As at 31 December 2021 £
Amounts due to parent	(1,403,797)	(1,403,797)
Amounts due from parent	2,614,820	2,614,820

Notes to the financial statements *(continued)*

11 Ultimate holding

The immediate parent undertaking is Virgin Atlantic Airways Limited.

As at 31 December 2022, the Directors consider that the Group's ultimate parent company and its controlling party is Virgin Group Holdings Limited, a company incorporated in the British Virgin Islands, the accounts of which are neither consolidated nor publicly available. The Directors consider that Sir Richard Branson is the ultimate controlling party of the Company.

As at 31 December 2022, Virgin Atlantic Limited, a company registered in England & Wales, is the parent undertaking of the largest group of which the Company is a member and for which consolidated financial statements are drawn up.

As at 31 December 2022, Virgin Atlantic Airways Limited, a company registered in England & Wales, is the parent undertaking of the smallest group of which the Company is a member and for which consolidated financial statements are drawn up.

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

12 Subsequent events

There were no subsequent events as at the date of this report.