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Registration number: 3552508

Barfair Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2020

Barfair Limited

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Barfair Limited

Strategic Report for the Year Ended 31 December 2020

Business review
The principal activity of the Company is that of an investment holding company. Following the final transfers of assets to other Virgin Group companies in 2020 under a project to simplify the Virgin Group structure, the Company is no longer trading and has no liabilities.

The profit for the year, after taxation, amounted to £nil (2019: profit of £420,528,000 which arose from transfers of assets to other Virgin Group companies).

Principal risks and uncertainties

The management of the business and execution of the Company's strategy are subject to a number of risks that impact the recoverable value of the Company's investments.

From the perspective of the Company, the principal risks and uncertainties are managed with the principal risks of the group comprising Virgin UK Holdings Limited and its wholly-owned subsidiaries (the "Group") under the supervision of the Directors. Further discussion of these risks and uncertainties, in the context of the Group as a whole is provided on pages 4-5 of the Group's annual report for the year ended 31 December 2020, which does not form part of this report.

Going concern

As set out in note 1.2 to the Financial Statements, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Financial key performance indicators

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis of KPIs is not necessary for an understanding of the development, performance or position of the business.

Barfair Limited

Strategic Report for the Year Ended 31 December 2020

This report was approved by the Board on 16 November 2021 and signed on its behalf.

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A Stirling
Director
The Battleship Building
179 Harrow Road
London
W2 6NB

Barfair Limited

Directors' Report for the Year Ended 31 December 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

Directors' of the company
The directors, who served during the year, were as follows:

I P Woods

R P Blok (director and alternate to I P Woods)

A Stirling

Results and dividends

During the year the Company paid a dividend in specie of £1,202,000 (2019: dividend in specie of £1,515,790,000) to its parent Company Virgin Holdings Limited, to settle intercompany balances and distribute it's remaining assets.

Auditor

Pursuant to section 485 of the Companies Act 2006, Milsted Langdon LLP have been appointed by the directors as auditors of the Company.

Disclosure of information to the auditors
Each of the persons who are directors at the time when the Directors' Report is approved has confirmed that:

• so far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
• the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This report was approved by the Board on 16 November 2021 and signed on its behalf.

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A Stirling
Director
The Battleship Building
179 Harrow Road
London
W2 6NB

Barfair Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities 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 101 Reduced Disclosure Framework.

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 for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting 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.

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 its 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.

Independent Auditor's Report to the Members of Barfair Limited

Opinion

We have audited the financial statements of Barfair Limited (the 'company') for the year ended 31 December 2020, which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt over the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Barfair Limited

Independent Auditor's Report to the Members of Barfair Limited

Opinion on other matter prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
• the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
• the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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; or
• the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors
As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. In carrying out these procedures, the audit team:

• obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
• inquired of management, and those charged with governance, about their own identification and assessment of the risks or irregularities, including known and actual, suspected or alleged instances of fraud;
• discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

Independent Auditor's Report to the Members of Barfair Limited

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

Milsted Langdon LLP
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Nigel Fry (Senior Statutory Auditor)
For and on behalf of Milsted Langdon LLP, Statutory Auditor
Winchester House
Deane Gate Avenue
Taunton
TA12 2UH

16 November 2021

Barfair Limited

Statement of Comprehensive Income for the Year Ended 31 December 2020

	Note	2020 £ 000	2019 £ 000
Dividend income		-	420,000
Operating profit		-	**420,000**
Interest payable and similar expenses		-	(674)
Profit before tax		-	**419,326**
Tax on profit	3	-	1,202
Profit for the year		-	420,528
Other comprehensive income for the year		-	-
Total comprehensive income for the year		-	420,528

The notes on pages 11 to 15 form part of these financial statements.

Barfair Limited

(Registration number: 3552508)
Balance Sheet as at 31 December 2020

	Note	31 December 2020 £ 000	31 December 2019 £ 000
Current assets			
Debtors: amounts falling due within one year	5	-	1,202
Creditors: amounts falling due within one year		-	-
Net current assets		-	1,202
Net assets		-	1,202
Capital and reserves			
Profit and loss account		-	1,202

The financial statements were approved and authorised by the board and were signed on its behalf on 16 November 2021.

A Stirling
Director

The notes on pages 11 to 15 form part of these financial statements.

Barfair Limited

Statement of Changes in Equity for the Year Ended 31 December 2020

	Share capital £ 000	Share premium £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2020	-	-	1,202	1,202
Comprehensive profit for the year				
Profit for the year	-	-	-	-
Total comprehensive profit for the year	-	-	-	-
Dividends in specie	-	-	(1,202)	(1,202)
At 31 December 2020	-	-	-	-

	Share capital £ 000	Share premium £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2019	250,000	208,501	637,963	1,096,464
Comprehensive profit for year				
Profit for the year	-	-	420,528	420,528
Total comprehensive profit for the year	-	-	420,528	420,528
Share captial reduction	(250,000)	(208,501)	458,501	-
Dividends	-	-	(1,515,790)	(1,515,790)
At 31 December 2019	-	-	1,202	1,202

The notes on pages 11 to 15 form part of these financial statements

1 Accounting policies

1.1 Basis of preparation

Barfair Limited (the "Company") is a company, limited by shares, incorporated and domiciled in the UK. The registered office address is The Battleship Building, 179 Harrow Road, London, W2 6NB.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The Company's intermediate parent, Virgin UK Holdings Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Virgin UK Holdings Limited are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from the address in note 7.

The financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101") and the Companies Act 2006.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ('Adopted IFRS'), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the Company has applied the exemptions under FRS 101 in respect of the following disclosures:

- the requirements of IAS 7 statement of cash flows and related notes;
- comparative period reconciliations for share capital and tangible fixed assets;
- the requirements of IAS 24 related party disclosures in respect of wholly owned subsidiaries;
- disclosures in respect of the compensation of Key Management Personnel;
- the requirements of IFRS 7 financial instruments disclosures; and
- the effects of new but not yet effective IFRSs.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 1.10.

1.2 Going concern

Following the settlement of the intercompany receivable balance in 2020, the Company has no assets or liabilities. Going forward, the Company is not expected to have any financial obligations to meet and it is the Directors intention to make the Company dormant. Thus the Directors continue to adopt the going concern basis of accounting for preparing these annual financial statements.

1.3 Foreign currency
The Company's functional currency is GBP.

Transactions in foreign currencies are translated into the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.5 Valuation of investments
Investment in subsidiaries are measured at cost less accumulated impairment.

1.6 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument. In accordance with IFRS 9, financial instruments are recorded initially at fair value. Subsequent measurement of those instruments at the balance sheet date reflects the designation of the financial instrument. The Company determines the classification at initial recognition and re-evaluates this designation at each reporting date except for those financial instruments measured at fair value through profit or loss.

Non-derivative financial assets
Non-derivative financial assets are deemed to be assets which have no fixed or determinable payments that are not quoted in an active market and would therefore be classified as 'loans and receivables'. Such non-derivative financial assets are measured at amortised cost using the effective interest method, less any impairment and include trade and other receivables. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of non-derivative financial assets
The Company assesses at each balance sheet date whether a non-derivative financial asset is impaired. The expected credit loss approach is taken when calculating impairments on financial assets. All financial assets are reviewed for historic write-offs and this proportion is applied to its class of financial assets to calculated the required provision.

Derecognition of non-derivative financial assets
The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Non-derivative financial liabilities
Non-derivative financial liabilities are initially recorded at fair value less directly attributable transaction costs, and subsequently at amortised cost and include loans and borrowings and trade and other payables.

Derecognition of non-derivative financial liabilities
The Company derecognises a financial liability only when the Company's obligations are discharged, cancelled or they expire. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts are recognised in profit or loss.

1.7 Debtors
Short term debtors are measured at transaction price less any impairment. Loans receivable are measured initially at fair value, net of transaction cost, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.8 Creditors
Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.9 Dividend income
Dividend distribution to the company's shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

1.10 Critical accounting judgements and key sources of estimation uncertainty
The preparation of the financial statements in conformity with FRS 101 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from the estimates calculated.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no accounting policies that are considered to be critical, because they either require a significant amount of management judgement or the results are material to the Company's financial statements.

1.11 Current and deferred taxation
Tax on profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.
Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised or that the Company has determined it is appropriate to recognise the deferred tax asset as it is recoverable due to the fact that the Company is part of a UK group for group relief purposes.

2 Auditors' remuneration

Audit fees of £4,000 (2019: £4,300) have been borne by another group company. There were no audit or non-audit services provided.

3 Taxation

	2020 £ 000	2019 £ 000
Corporation tax		
Group Relief Payable/(receivable)	-	(468)
Adjustments in respect of prior periods	-	(734)
Total current tax	-	(1,202)

Factors affecting tax charge for the year

The tax assessed for the period is the same as the standard rate of corporation tax in the UK of 19.00% (2019: 19.00).
The differences are explained below:

	2020 £ 000	2019 £ 000
Profit on ordinary activities before tax	-	419,326
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	-	79,672
Non-deductible expenses	-	(79,801)
Adjustments in respect of prior periods	-	(734)
Other timing differences	-	(339)
Total tax credit	-	(1,202)

In the March 2020 budget, it was announced that the UK tax rate would remain at 19% from 1 April 2020 and would not be reduced to the 17% rate which was substantively enacted in September 2016. Accordingly the company's profit for the year is taxed at 19% (2019: 19%).

Following the announcement made in the 2021 budget, it is expected that there will be an increase in the rate of UK corporation tax to 25% on 1 April 2023. This was substantively enacted on 24 May 2021.

The Company has no recognised or unrecognised deferred tax balances at the end of the current and prior year.

4 Directors' remuneration

The directors did not receive any remuneration during the period for services to the Company (2019: £nil).

The Company has no employees.

5 Debtors: amounts falling due within one year

	31 December 2020 £ 000	31 December 2019 £ 000
Amounts owed by group related undertakings	-	1,202
	-	1,202

6 Share capital

	2020 £ 000	2019 £ 000
Allotted, called up and fully paid		
1 ordinary share of £1 each	-	-

7 Reserves

Profit & loss account

On 22 December 2020, the Company paid a dividend of £1,202,000 satisfied by the transfer of intercompany debt receivables, to its parent company, Virgin Holdings Limited.

8 Controlling party

At 31 December 2020, 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 UK Holdings Limited and Virgin Holdings Limited repectively, both companies are registered in England and Wales. The consolidated financial statements of these groups can be obtained from Companies House, Crown Way, Cardiff CF14 3UZ.

9 Related party transactions

At 31 December 2020 the Company's ultimate parent undertaking was Virgin Group Holdings Limited, whose sole shareholder is Sir Richard Branson. The shareholder of Virgin Group Holdings Limited has interests directly or indirectly in certain other companies which are considered to give rise to related party disclosures under International Accounting Standard 24: Related Party Disclosures.

As a 100% owned subsidiary of Virgin Group Holdings Limited, the Company has taken advantage of the exemption under FRS 101: Reduced Disclosure Framework, which enables it to exclude disclosure with Virgin Group Holdings Limited and its wholly owned subsidiaries.