

Virgin Rail Projects Limited

**Directors' report and financial statements
for the financial year ended 31 March 2014**

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Virgin Rail Projects Limited

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Virgin Rail Projects Limited

Directors' report for the financial year ended 31 March 2014

The directors present their report and the financial statements for the financial year ended 31 March 2014.

Principal activities

The principal activity of the Company was to provide project management services.

The Company managed the Department for Transport ("DfT") contract for the introduction of 62 additional carriages and 4 new trains to the Pendolino fleet of West Coast Trains Limited ("West Coast"). Under the terms of the agreement, the DfT ordered the trains and the Company provided support throughout the design, manufacture, delivery, testing and commissioning of the new vehicles. The new trains and carriages were fully operational by December 2012.

From 1 June 2012, the Company ceased to trade. As the directors do not intend to acquire a replacement trade for the Company, they have not prepared the financial statements on a going concern basis. The effect of this is explained in note 1 to the financial statements.

Results and dividends

The profit for the financial year, after taxation, amounted to £Nil (2013: £861,000).

Dividends paid during the financial year totalled £Nil (2013: £1,113,000).

Directors

The directors who served during the financial year were:

Anthony Collins (resigned 11 October 2013)
Christopher Gibb (resigned 11 November 2013)
Graham Leech
Philip Whittingham (appointed 1 October 2013)
Phillip Bearpark (appointed 1 October 2013)

The Company maintains Directors' and Officers' Liability insurance in respect of legal action that might be brought against its directors and senior officers.

Political contributions

The Company made no political contributions during the financial year (2013: £Nil).

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that 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.

Virgin Rail Projects Limited

Directors' report for the financial year ended 31 March 2014

Auditor

Pursuant to section 487(2) of the Companies Act 2006, KPMG LLP will be deemed to be re-appointed and will therefore continue in office.

This report was approved by the board and signed on its behalf by:



Philip Whittingham
Director

Date: 23 June 2014

The Battleship Building
179 Harrow Road
London
W2 6NB

Virgin Rail Projects Limited

Directors' responsibilities statement for the financial year ended 31 March 2014

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 United Kingdom Accounting Standards and applicable law (United Kingdom Generally Accepted Accounting Practice). 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 the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business. As explained in note 1 to the financial statements, the directors do not believe that it is appropriate to prepare the 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 also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Virgin Rail Projects Limited

Independent auditor's report to the shareholders of Virgin Rail Projects Limited

We have audited the financial statements of Virgin Rail Projects Limited for the financial year ended 31 March 2014, set out on pages 6 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2014 and of its results for the financial 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.

Emphasis of matter

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements which explains that the financial statements have not been prepared on the going concern basis for the reason set out in that note.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Virgin Rail Projects Limited

Independent auditor's report to the shareholders of Virgin Rail Projects Limited

Matters on which we are required to report by exception

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 take advantage of the small companies' exemption from the requirement to prepare a Strategic report.



Darren Turner (Senior Statutory Auditor)

for and on behalf of
KPMG LLP, Statutory Auditor

One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Date: 23 June 2014

Virgin Rail Projects Limited

Profit and loss account for the financial year ended 31 March 2014

	Note	2014 £000	2013 £000
Turnover	1,2	-	1,137
Other operating charges		-	(4)
		<hr/>	<hr/>
Operating profit		-	1,133
		<hr/>	<hr/>
Profit on ordinary activities before taxation		-	1,133
Tax on profit on ordinary activities	5	-	(272)
		<hr/>	<hr/>
Profit for the financial year	9	-	861
		<hr/>	<hr/>

All amounts relate to discontinued operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the profit and loss account.

The notes on pages 8 to 11 form part of these financial statements.

There is no difference between the result as disclosed in the profit and loss account and the result on an unmodified historical cost basis.

Virgin Rail Projects Limited
Registered number: 4162993

Balance sheet
as at 31 March 2014

	Note	£000	2014 £000	2013 £000
Current assets				
Debtors	6	-	16	
Cash at bank and in hand		52	215	
		<u>52</u>	<u>231</u>	
Creditors: amounts falling due within one year	7	<u>(52)</u>	<u>(231)</u>	
Net current assets			-	-
Total assets less current liabilities and net assets			<u>-</u>	<u>-</u>
Capital and reserves				
Called up share capital	8	-	-	-
Profit and loss account	9	-	-	-
			<u>-</u>	<u>-</u>
Shareholders' funds	10		<u>-</u>	<u>-</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



Philip Whittingham
Director

Date: 23 June 2014

Virgin Rail Projects Limited

Notes to the financial statements for the financial year ended 31 March 2014

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below.

1.1 Basis of preparation of financial statements

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

Under FRS 8 'Related party disclosures', the Company is exempt from the requirement to disclose transactions with related parties, which are wholly owned subsidiaries of the group, on the grounds that it is a wholly owned subsidiary undertaking of Virgin Rail Group Holdings Limited and the Company's results are consolidated in its parent company financial statements.

1.2 Going concern

During the prior financial year the Company ceased to trade. As the directors do not intend to acquire a replacement trade for the Company, they have not prepared the financial statements on a going concern basis. No adjustments were necessary to the amounts at which the net assets are included in these financial statements compared with the values at which they would have been stated had a going concern basis of accounting been adopted.

1.3 Cash flow

The Company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1 'Cash flow statements'.

1.4 Turnover

Turnover comprises revenue recognised by the Company in respect of goods and services supplied during the financial year, exclusive of Value Added Tax.

Turnover is recognised when all performance conditions associated with the revenue have been met.

1.5 Taxation

The charge for taxation is based on the result for the financial period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Tax charges and credits are accounted for through the same primary statement (being either the profit and loss account or the statement of total recognised gains and losses) as the related pre-tax items.

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 FRS19 'Deferred Tax'. 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.

1.6 Dividends

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Virgin Rail Projects Limited

Notes to the financial statements for the financial year ended 31 March 2014

2. Turnover

	2014 £000	2013 £000
Turnover	-	1,137

Turnover arises from the performance of project management services in the UK.

3. Auditors' remuneration

	2014 £000	2013 £000
Fees payable to the Company's auditor for the audit of these financial statements	1	3

4. Staff numbers and costs

The Company has no employees other than the directors, who did not receive any remuneration (2013: £Nil).

5. Taxation

	2014 £000	2013 £000
UK corporation tax charge on profit for the financial year	-	272

Factors affecting tax charge for the financial year

There were no factors that affected the tax charge for the financial year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 23% (2013: 24%).

Factors that may affect future tax charges

Reductions in the corporation tax rate from 23% to 21% (effective from 1 April 2014) and from 21% to 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013.

6. Debtors

	2014 £000	2013 £000
Prepayments and accrued income	-	16

Virgin Rail Projects Limited

Notes to the financial statements for the financial year ended 31 March 2014

7. Creditors: Amounts falling due within one year

	2014 £000	2013 £000
Amounts owed to group undertakings	1	1
Corporation tax	-	134
Accruals and deferred income	51	96
	<u>52</u>	<u>231</u>

8. Share capital

	2014 £	2013 £
Allotted, called up and fully paid		
2 ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

9. Reserves

	Profit and loss account £000
At 1 April 2013 and 31 March 2014	-
	<u>-</u>

10. Reconciliation of movement in shareholders' funds

	2014 £000	2013 £000
Opening shareholders' funds	-	252
Profit for the financial year	-	861
Dividends paid (see note 11)	-	(1,113)
	<u>-</u>	<u>-</u>
Closing shareholders' funds	<u>-</u>	<u>-</u>

11. Dividends

	2014 £000	2013 £000
Dividends paid	-	1,113
	<u>-</u>	<u>1,113</u>

Virgin Rail Projects Limited

Notes to the financial statements for the financial year ended 31 March 2014

12. Ultimate parent company and parent undertaking of larger group

The parent undertaking of the smallest group of undertakings, including the Company, for which group financial statements are drawn up is Virgin Rail Group Holdings Limited. The parent undertaking of the largest group of undertakings, including the Company, for which group financial statements are drawn up is Virgin Wings Limited.

Copies of the Virgin Rail Group Holdings Limited and Virgin Wings Limited consolidated financial statements are available to the public and may be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.

As at 31 March 2014 the ultimate parent company is Virgin Group Holdings Limited, a company registered in the British Virgin Islands.