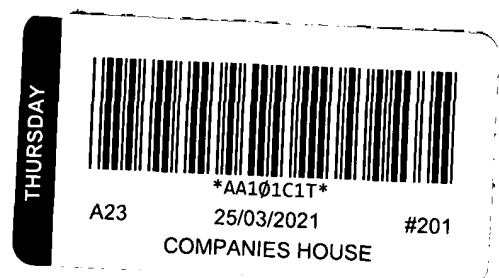


Virgin Atlantic Foundation
(A company limited by guarantee)

Annual report and financial statements

For the year ended 30 April 2020

Charity number: 1097580
Company number: 04684704



Virgin Atlantic Foundation

Annual report and financial statements

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Virgin Atlantic Foundation

Reference and administrative details

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

I M J de Sousa
S Roddie (appointed 1st October 2020)
E Hollingsworth (appointed 1st January 2021)
S Weiss (resigned 31st May 2019)
T P Maher (resigned 31st May 2019)
M C Anderson (resigned 31st May 2019)
N A Humphrey (resigned 30th September 2020)
D Molloy (resigned 31st December 2020)

Secretary

I M J de Sousa (resigned 1st September 2020)
K Bristol (appointed 1st September 2020)

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
Hanover House
14 Hanover Square
London
W1S 1HP

Virgin Atlantic Foundation

Report of the Trustees for the year ended 30 April 2020

The Trustees are pleased to present their annual directors' report together with the audited financial statements of the charity for the year ended 30 April 2020.

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 educate and, to alleviate sickness, poverty and distress affecting children in the United Kingdom and around the world
- 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.
- 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 £947,004 (year ended 30 April 2019: £961,436) were received. The charity advanced donations and grants of £828,952 (year ended 30 April 2019: £835,833) to causes chosen in accordance with the objects of the charity.

The main beneficiary of grants was WE, our long term partner. Grants of £795,376 were advanced to WE to support their UK-wide "Be The Change" educational programme, "WE Day" and communities in Kenya, India, and rural China through WE's sustainable development "WE Villages" model.

Our partnership with WE ended on 9 September 2020. Please refer to note 18 on post balance sheet events for further details.

Virgin Atlantic Foundation

Report of the Trustees for the year ended 30 April 2020 *(continued)*

Further beneficiaries in the year include:

- Grants of £25,740 were advanced to Save The Children to aid the charity in their missions to support their Children's Emergency Fund.
- Save The Children also received a donation of £576 in support of their Christmas Jumper Day campaign.
- Chestnut Tree House received donations of £4,720 to support 300 children and young adults with life-shortening conditions.
- Summer Hill School in South Africa received £3,269 in order to further local educational initiatives in the local community.

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. In the year to 30 April 2020 £849,362 (year ended 30 April 2019: £721,334) was raised from this source.

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.

While COVID-19 only had an impact on the last two months of the current financial year and did not prevent the charity from meeting its objectives, the consequent fall in passenger numbers is likely to cause a significant reduction in donations received for at least the next twelve months.

On 9 September 2020, our partnership with WE came to an end. Our partnership with Save The Children ensures that the Foundation maintains its commitment to emergency disaster relief. The Trustees are actively seeking new partners in order for the Foundation to best meet its objectives.

Financial review and key policies

During the year, total donations of £849,362 (year ended 30 April 2019: £857,682) were raised through on-board collections and various staff fundraising initiatives.

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 £97,642 in the year (30 April 2019: £103,754).

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.

Virgin Atlantic Foundation

Report of the Trustees for the year ended 30 April 2020 *(continued)*

Financial review and key policies *(continued)*

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 2020 was £2,769 (30 April 2019: £2,769).

The charity's financial performance and 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.

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 three 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, WE's programme including its goals and activities, 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 2020 (year ended 30 April 2019: no employees).

Virgin Atlantic Foundation

Report of the Trustees for the year ended 30 April 2020 *(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 the charity's secretary.
- 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.
- Our main beneficiary, WE, seconded a staff member to the charity's head office. This enabled the Trustees to ensure a close working relationship with WE to ensure the funds donated were used to meet the objectives of the charity. This secondment ended at the same time as we terminated our partnership with WE.

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. While the impact of COVID-19 is limited in the year ended 30 April 2020, donations received are expected to be lower in the coming years.

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 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 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 company and of the profit or loss of the company 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 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

Virgin Atlantic Foundation

Report of the Trustees for the year ended 30 April 2020 (continued)

- 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 Trustees 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.

Statement as to disclosure to our auditors

In so far as the Trustees are aware at the time of approving our trustee's annual report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the charity's auditor is unaware, and
- The Trustees, having made enquiries of fellow Trustees and the charity's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a trustee in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

On behalf of the board of Trustees



I M J de Sousa
2 February 2021
Trustee
Company Secretariat
The VHQ
Fleming Way
Crawley
West Sussex
RH10 9DF

Independent Auditor's Report to the Members of Virgin Atlantic Foundation

Opinion

We have audited the financial statements of Virgin Atlantic Foundation ("the charitable company") for the year ended 30 April 2020, which comprise the Statement of financial activities, Balance sheet, Statement of cash flows 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 2020 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 2019 dated 14 August 2020 include material uncertainties related to going concern and therefore the availability of support may be in doubt if required. 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.

Other information

The trustees are responsible for the other information, which comprises of the Report of the Trustees for the year ended 30 April 2020. 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 Report of the Trustees, which constitutes the directors' report for the financial year, is consistent with the financial statements; and
- in our opinion that report has 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:

- 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

Virgin Atlantic Foundation

Independent Auditor's Report to the Members of Virgin Atlantic Foundation *(continued)*

- 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; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

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.

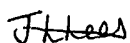
Auditor's responsibilities

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
2 February 2021

Virgin Atlantic Foundation

Statement of financial activities (including income and expenditure account) for the year ended 30 April 2020

		Unrestricted funds	Restricted funds	Total funds 2020	Total funds 2019
		£	£	£	£
	Note				(Note 17)
Income					
Donations	3	81,526	865,478	947,004	961,436
Total income		<u>81,526</u>	<u>865,478</u>	<u>947,004</u>	<u>961,436</u>
Expenditure					
<i>Costs of raising funds:</i>					
Charitable operations	4	3,766	36,526	40,292	44,269
<i>Expenditure on charitable activities:</i>					
Donations, governance and support costs	5	77,760	828,952	906,712	917,167
Total expenditure		<u>81,526</u>	<u>865,478</u>	<u>947,004</u>	<u>961,436</u>
Net income/(expenditure) and net movement in funds in the year	8	-	-	-	-
Reconciliation of funds					
Fund balances as at 1 May 2019		2,769	-	2,769	2,769
Fund balances as at 30 April 2020	14	<u>2,769</u>	<u>-</u>	<u>2,769</u>	<u>2,769</u>

All of the above results are derived from continuing activities.

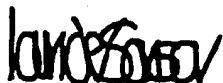
The attached notes form part of these financial statements.

Virgin Atlantic Foundation

Balance sheet as at 30 April 2020

		30 April 2020	30 April 2019
		£	£
	<i>Note</i>		
Current assets			
Debtors	12	34,959	116,149
Cash at bank and in hand		124,171	134,783
		<u>159,130</u>	<u>250,932</u>
Liabilities			
Creditors falling due within one year	13	(156,361)	(248,163)
Net assets		<u>2,769</u>	<u>2,769</u>
The funds of the charity:			
Unrestricted income funds	14	2,769	2,769
Restricted income funds	14	-	-
Fund balances	14	<u>2,769</u>	<u>2,769</u>

These financial statements were approved by the Trustees on 2 February 2021 and were signed on their behalf by:



I M J de Sousa
Trustee

The attached notes form part of these financial statements.

Virgin Atlantic Foundation

Statement of cash flows for the year ended 30 April 2020

		30 April 2020	30 April 2019
		£	£
	<i>Note</i>		
Cash flows from operating activities:	16	(10,611)	(12,622)
Increase / (decrease) in cash and cash equivalents in the year		(10,611)	(12,622)
Cash and cash equivalents at the beginning of the year		134,783	147,405
Cash and cash equivalents at the end of the year		124,172	134,783

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 2015) - (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 2019 dated 14 August 2020 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 donations 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 our main charity partner WE, 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 2020 £	Year ended 30 April 2019 £
Donations	849,362	857,682
Gifts and donated services	97,642	103,754
	<u>947,004</u>	<u>961,436</u>

Of the income from donations and legacies, £81,526 was unrestricted and £865,478 was restricted (2019: £84,983 unrestricted, £876,453 restricted). The largest source of income was £795,376 (2019: £721,334), being the Change for Children donations of currency from Virgin Atlantic customers on-board flights.

4. Analysis of costs of raising funds:

Charitable operations

	Year ended 30 April 2020 £	Year ended 30 April 2019 £
Envelope insertion fees	14,476	15,693
Currency handling fees	18,857	21,850
Maintenance of banking machines	3,766	3,649
Secure collection bags	3,139	3,077
Other	54	-
	<u>40,292</u>	<u>44,269</u>

5. Analysis of expenditure on charitable activities:

Fundraising activities and the advancing of grants

	Note	Year ended 30 April 2020 £	Year ended 30 April 2019 £
Donations and grants paid	6	828,952	835,833
Governance costs	7	17,743	15,224
Support costs	7	60,017	66,110
		<u>906,712</u>	<u>917,167</u>

Of the expenditure on charitable activities, £77,760 (2019: £81,334) was unrestricted and £828,952 (2019: £835,833) was restricted.

Virgin Atlantic Foundation

Notes to the financial statements *(continued)*

6. Donations and grants paid

The charity awarded grants to certain beneficiaries in the year:

Beneficiary	Charitable purpose	Year ended 30 April 2020 £	Year ended 30 April 2019 £
WE	To support the eradication of poverty and sustainable community developments for marginalised children and their families across the globe, the UK-wide 'Be The Change' educational programme, 'WE Day' and other programmes that WE support.	795,376	752,494
Save The Children	To aid the charity in their missions to support various Emergency Funds.	25,588	75,398
Dreams Come True	To enrich the lives of children and young people living with serious and life-limiting medical conditions by fulfilling dreams and wishes.	-	4,580
Chestnut Tree House	To support children and young adults with life-shortening conditions.	4,720	2,258
Nelson Mandela Childrens Fund	To offer care, protection and support to the most vulnerable children in South Africa.	-	1,028
Cauldwell Children	To help terminally ill children and their families have a holiday of their lifetime.	-	75
Summer Hill School	To support educational initiatives at a South African school.	3,268	-
		828,952	835,833

A proportion of the funds advanced to WE was returned post year end. See note 18 for further details.

Virgin Atlantic Foundation

Notes to the financial statements (continued)

7. 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 2020	Year ended 30 April 2019
	£	£	£	£
Administrative staff support costs	-	15,017	15,017	13,260
Fundraising staff support costs	-	45,000	45,000	52,850
Accounting and compliance staff costs	3,243	-	3,243	3,224
Audit fees	14,500	-	14,500	12,000
	<u>17,743</u>	<u>60,017</u>	<u>77,760</u>	<u>81,334</u>

8. Net income/(expenditure) for the year

This is stated after charging:

	Year ended 30 April 2020	Year ended 30 April 2019
	£	£
Auditor's remuneration:		
Audit fees	14,500	12,000
	<u>14,500</u>	<u>12,000</u>

9. 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.

10. Related party transactions

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

Donated gifts and services of £97,642 (2019: £103,754), 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.

Virgin Atlantic Foundation

Notes to the financial statements *(continued)*

11. 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.

12. Current assets: Debtors

	30 April 2020 £	30 April 2019 £
Other debtors	34,959	116,149
	<u>34,959</u>	<u>116,149</u>

13. Liabilities: Creditors falling due within one year

	30 April 2020 £	30 April 2019 £
Other creditors	156,361	248,163
	<u>156,361</u>	<u>248,163</u>

Virgin Atlantic Foundation

Notes to the financial statements (continued)

14. Analysis of net funds

	Balance at 1 May 2019 £	Income £	Expenditure £	Balance at 30 April 2020 £
Unrestricted funds				
General income funds	2,769	80,026	(80,026)	2,769
Total unrestricted funds	<u>2,769</u>	<u>80,026</u>	<u>(80,026)</u>	<u>2,769</u>
	-	-	-	-
Restricted funds				
WE	-	832,674	(832,674)	-
Save The Children	-	26,316	(26,316)	-
Chestnut Tree House	-	4,720	(4,720)	-
Summer Hill School	-	3,269	(3,269)	-
Total restricted funds	<u>-</u>	<u>866,978</u>	<u>(866,978)</u>	<u>-</u>
	-	-	-	-
Total funds	<u>2,769</u>	<u>947,004</u>	<u>(947,004)</u>	<u>2,769</u>

	Balance at 1 May 2018 £	Income £	Expenditure £	Balance at 30 April 2019 £
Unrestricted funds				
General income funds	2,769	84,983	(84,983)	2,769
Total unrestricted funds	<u>2,769</u>	<u>84,983</u>	<u>(84,983)</u>	<u>2,769</u>
	-	-	-	-
Restricted funds				
WE	-	790,750	(790,750)	-
Cauldwell Children	-	75	(75)	-
Save The Children	-	77,730	(77,730)	-
Nelson Mandelâs Children Fund	-	1,060	(1,060)	-
Dreams Come True	-	4,580	(4,580)	-
Chestnut Tree House	-	2,258	(2,258)	-
Total restricted funds	<u>-</u>	<u>876,453</u>	<u>(876,453)</u>	<u>-</u>
	-	-	-	-
Total funds	<u>2,769</u>	<u>961,436</u>	<u>(961,436)</u>	<u>2,769</u>

Virgin Atlantic Foundation

Notes to the financial statements (continued)

15. Analysis of net assets between funds

	30 April 2020		
	Unrestricted funds £	Restricted funds £	Total £
Debtors	-	34,959	34,959
Cash at bank and in hand	2,769	121,402	124,171
Creditors falling due within one year	-	(156,361)	(156,361)
Total	2,769	-	2,769

	30 April 2019		
	Unrestricted funds £	Restricted funds £	Total £
Debtors	-	116,149	116,149
Cash at bank and in hand	2,769	132,014	134,783
Creditors falling due within one year	-	(248,163)	(248,163)
Total	2,769	-	2,769

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

	30 April 2020	30 April 2019
	£	£
(Increase) in debtors	81,191	(57,109)
Decrease in creditors	(91,802)	44,487
Net cash from / (used in) operating activities	(10,611)	(12,622)

Virgin Atlantic Foundation

Notes to the financial statements (continued)

17. Statement of financial activities: funds summary for the year ended 30 April 2019

	Unrestricted funds	Restricted funds	Total funds 2020	Total funds 2019
	£	£	£	£
Income				
Donations	84,983	876,453	961,436	976,224
Total income	<u>84,983</u>	<u>876,453</u>	<u>961,436</u>	<u>976,224</u>
Expenditure				
<i>Costs of raising funds:</i>				
Charitable operations	3,649	40,620	44,269	98,544
<i>Expenditure on charitable activities:</i>				
Donations, governance and support costs	81,334	835,833	917,167	877,680
Total expenditure	<u>84,983</u>	<u>876,453</u>	<u>961,436</u>	<u>976,224</u>
Net income/(expenditure) and net movement in funds in the year	-	-	-	-
Reconciliation of funds				
Fund balances as at 1 May 2018	2,769	-	2,769	2,769
Fund balances as at 30 April 2019	<u>2,769</u>	<u>-</u>	<u>2,769</u>	<u>2,769</u>

18. Post balance sheet events

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. On 23 October 2020, the Virgin Atlantic Foundation was reimbursed £684,000 of funds previously granted to WE Charity in the 2019/20 financial year. The Trustees remain committed to meeting the objectives of Virgin Atlantic Foundation in the context of the current challenging environment and are actively seeking new partners in order to better meet these objectives.