

Registration number: 1568894

Virgin Management Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2020

Virgin Management Limited

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Virgin Management Limited

Strategic Report for the Year Ended 31 December 2020

Virgin Management Limited (the "Company") is principally engaged in providing management services to its subsidiaries and other affiliated companies.

Business review

Summary financial performance and key performance indicators

For the year ended 31 December 2020, Virgin Management Limited recorded a loss before tax of £222.4m (2019 profit: £60.5m). The loss before tax of £222.4m is mainly driven by the impairment of investments in subsidiaries due to the impact of Covid-19 on underlying subsidiaries businesses. Excluding the impairment charge of £220.3m and dividend income in 2019, the Company recorded a loss before tax of £2.1m (2019: loss before tax of £8.3m).

For the year ended 31 December 2020, turnover was £17.3m (2019: £21.7m). Turnover is dependent on the level of costs incurred in the provision of services to affiliated companies and decreased during the year.

At 31 December 2020, the Company had net assets of £1,018.1m (2019: £1,296.3m).

Development and performance of the business

The Company's underlying performance for the year in providing management services is consistent with that of the prior year, and no significant changes to the business are currently expected for the foreseeable future. Year on year, fluctuations in the Company's overall results are largely driven by a number of one-off items mainly dividend income and impairments (refer to note 3 and 4 to the financial statements).

Principal risks and uncertainties

The Company provides services to its subsidiaries and other affiliated entities in the Virgin Group in line with contracts agreed between the relevant parties. There is a risk that the scope and nature of these contracts is changed as and when they are renewed, or that the level of services is adversely impacted by a reduction in these entities' business operations as a result of poor trading or economic downturn. In order to minimise these risks, there is a focus across all activities of the Company on cost control and efficient operation.

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.

Virgin Management Limited

Strategic Report for the Year Ended 31 December 2020

Approved by the Board on 13 September 2021 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'A Stirling', is written over a horizontal dotted line.

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

Virgin Management 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.

Results and dividends

The loss for the year, after taxation, amounted to £222.2m (2019 profit: £63.0m).

Post year end, the Company paid a dividend in specie of £1.

During the year the company declared and settled dividends of £56.0m (2019: £190.6m), comprising intercompany balances and cash of £1.1m, to its intermediate UK parent company Virgin Holdings Limited. This distribution eliminated certain intercompany balances within the Virgin Holdings Limited group and assisted the Virgin Group to invest in other businesses including Virgin Atlantic, Virgin Orbit and Virgin Voyages.

Streamlined Energy and Carbon Reporting

The Company is not required to report under the terms of the Streamlined Energy and Carbon Reporting requirements based on its own limited energy consumption. The energy consumption for this Company has been voluntarily incorporated and disclosed in the consolidated financial statements of its parent company, Virgin Holdings Limited.

Directors' of the company

The directors, who served during the year, were as follows:

I P Woods

R P Blok (alternate to I P Woods and A Stirling)

L Thomas (resigned 31 October 2020)

A Stirling

A J Swaffield (appointed 10 December 2020)

Disclosure of information to the auditor

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.

Auditor

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

Virgin Management Limited

Directors' Report for the Year Ended 31 December 2020

Approved by the Board on 13 September 2021 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Amy Stirling', written over a horizontal dotted line.

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

Virgin Management 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 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 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 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



Virgin Management Limited

Independent Auditor's Report to the Members of Virgin Management Limited

Opinion

We have audited the financial statements of Virgin Management Limited (“the company”) for the year ended 31 December 2020 which comprise Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, 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 company’s affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; 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.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company’s financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements (“the going concern period”).

In our evaluation of the directors’ conclusions, we considered the inherent risks to the company’s business model and analysed how those risks might affect the company’s financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified, and concur with the directors’ assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company’s ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.



Virgin Management Limited

Independent Auditor's Report to the Members of Virgin Management Limited

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 directors and finance 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 Board minutes; and
- 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 management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements. On this audit we do not believe there is a fraud risk related to revenue recognition because the accounting for the revenue is non-complex, and subject to limited levels of judgment with limited opportunities to fraudulently manipulate revenue.

We did not identify any additional fraud risks.

We performed procedures including:

- identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation; and
- evaluated the business purpose of significant unusual transactions.



Virgin Management Limited

Independent Auditor's Report to the Members of Virgin Management Limited

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 the directors and other management (as required by auditing standards), and discussed with the directors and other management 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), distributable profits legislation, and taxation 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.

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.



Virgin Management Limited

Independent Auditor's Report to the Members of Virgin Management Limited

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 5, 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.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.



Virgin Management Limited

Independent Auditor's Report to the Members of Virgin Management Limited

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.

PNikolaev

Polina Nikolaev (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered accountants

15 Canada Square
London
E14 5GL

15 September 2021

Virgin Management Limited

Statement of Comprehensive Income for the Year Ended 31 December 2020

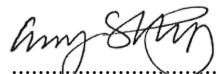
	Note	2020 £ 000	2019 £ 000
Turnover	2	17,248	21,652
Gross profit		17,248	21,652
Administrative expenses		(18,984)	(29,754)
Other operating income	3	-	69,043
Impairment of investment	21	(220,263)	(271)
Operating (loss)/profit	4	(221,999)	60,670
Interest receivable and similar income	8	20	202
Interest payable and similar expenses	9	(405)	(407)
(Loss)/profit before tax		(222,384)	60,465
Tax on profit	10	176	2,500
(Loss)/profit for the year		(222,208)	62,965
Other comprehensive income for the year		-	-
Total comprehensive income for the year		(222,208)	62,965

The notes on pages 14 to 38 form an integral part of these financial statements.

Virgin Management Limited
(Registration number: 1568894)
Balance Sheet as at 31 December 2020

	Note	31 December 2020 £ 000	31 December 2019 £ 000
Fixed assets			
Tangible assets	11	869	1,205
Investments	21	1,008,761	1,284,167
Deferred tax assets		556	766
Right of use assets	12	<u>3,135</u>	<u>4,065</u>
		<u>1,013,321</u>	<u>1,290,203</u>
Current assets			
Debtors	13	32,759	26,388
Cash at bank and in hand		<u>3,015</u>	<u>9,086</u>
		35,774	35,474
Creditors: Amounts falling due within one year	14	<u>(28,032)</u>	<u>(25,558)</u>
Net current assets		<u>7,742</u>	<u>9,916</u>
Total assets less current liabilities		1,021,063	1,300,119
Creditors: Amounts falling due after more than one year	14	(2,321)	(3,174)
Provisions for liabilities	15	<u>(610)</u>	<u>(610)</u>
Net assets		<u>1,018,132</u>	<u>1,296,335</u>
Capital and reserves			
Called up share capital	16	200,000	627,742
Share premium reserve		-	209,388
Profit and loss account		<u>818,132</u>	<u>459,205</u>
Shareholders' funds		<u>1,018,132</u>	<u>1,296,335</u>

Approved by the Board on 13 September 2021 and signed on its behalf by:



 A Stirling
 Director

The notes on pages 14 to 38 form an integral part of these financial statements.

Virgin Management 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	627,742	209,388	459,205	1,296,335
Loss for the year	-	-	(222,208)	(222,208)
Total comprehensive loss	-	-	(222,208)	(222,208)
Dividends	-	-	(55,995)	(55,995)
Capital reduction	(427,742)	(209,388)	637,130	-
At 31 December 2020	<u>200,000</u>	<u>-</u>	<u>818,132</u>	<u>1,018,132</u>
	Share capital £ 000	Share premium £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2019	627,742	209,388	586,872	1,424,002
Profit for the year	-	-	62,965	62,965
Total comprehensive income	-	-	62,965	62,965
Dividends	-	-	(190,632)	(190,632)
At 31 December 2019	<u>627,742</u>	<u>209,388</u>	<u>459,205</u>	<u>1,296,335</u>

The notes on pages 14 to 38 form an integral part of these financial statements.

Virgin Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

1 Accounting policies

1.1 Basis of preparation

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

The Company is exempt by virtue of s400 of the Companies Act 2005 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 accounting standards in conformity with the requirements of the Companies Act 2006 and are available to the public and may be obtained from the address in note 19.

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 accounting standards in conformity with the requirements of the Companies Act 2006, 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 1.11.

Virgin Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

1.2 Going concern

The Directors have considered the cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides and the continued impact of Covid-19 on the operations and its financial resources, the Company will have sufficient funds to meet its liabilities as they fall due for that period.

In making this assessment, the Directors have specifically considered the impact the Covid-19 pandemic has had and continues to have on the revenue of the Company's subsidiaries and consequently on the dividend income of the Company. They have considered the eventuality of the Company not generating any dividend income, and given the Company's cash resources and consideration of the recoverability of intercompany debtors due from wider Virgin Group, they consider that the Company will have sufficient funds to meet its liabilities as they fall due for that period.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

1.3 Valuation of investments

Investment in subsidiaries are measured at cost less accumulated impairment.

1.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Leased Assets

The Company recognises right-of-use assets in respect of operating leases in line with IFRS 16.

The right of use assets are initially measured at amounts equal to the corresponding lease liabilities recognised. Lease liabilities are measured at the present value of the lease payments, discounted at the incremental borrowing rate.

The right-of-use assets are depreciated evenly over the remaining life of the asset and the lease liability unwinds in line with the incremental borrowing rate over the lease term.

Virgin Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

1.5 Depreciation

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Asset class	Depreciation method and rate
Leasehold improvements	10 - 15 % per annum
Furniture and fittings	13 - 25 % per annum
IT equipment and software	25% per annum

1.6 Debtors

Short term debtors are measured at transaction price less any impairment. Loans and receivables 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.

1.7 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.

1.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Virgin Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

1.9 Financial assets and liabilities

Classification

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.

Recognition and measurement

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.

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.

Impairment

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 calculate 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.

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.

Virgin Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

1.10 Foreign currency

The Company's functional and presentational currency is pound sterling.

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.

1.11 Critical accounting judgments 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.

The carrying amounts of the Company's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of the investment in subsidiaries is the net assets of the underlying assets or the value in use of the underlying assets held by the subsidiaries.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.12 Dividend income

Dividend income is recognised in other operating income on the date the Company's right to receive payments is established.

1.13 Employee Benefits

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

Virgin Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

1.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the profit and loss account in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

1.15 Finance income and costs policy

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities, finance leases recognised in the profit and loss account using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset. Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method.

1.16 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.

Virgin Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

1.17 Turnover

The Company's turnover comprises of fees receivable under contracts to provide management services. It is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Turnover is recognised in accordance with IFRS 15's principle-based five-step model as follows:

- contract with a customer is identified;
- contract performance obligations are identified;
- transaction price is determined;
- transaction price is allocated to each performance obligation; and
- upon satisfaction of each performance obligation the turnover is recognised.

2 Turnover

The analysis of the company's turnover for the year from continuing operations is as follows:

	2020	2019
	£ 000	£ 000
Rendering of services	<u>17,248</u>	<u>21,652</u>

	2020	2019
	£000	£000
United Kingdom	9,680	11,151
Rest of the world	<u>7,568</u>	<u>10,501</u>
	<u>17,248</u>	<u>21,652</u>

3 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2020	2019
	£ 000	£ 000
Other operating income	<u>-</u>	<u>69,043</u>

During 2020, the Company received the dividends of £56.0m from its subsidiaries which were treated as a return of capital on its investments held. Please refer to note 21 for further details.

Virgin Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

4 Operating (loss) /profit

Arrived at after charging/(crediting)

	2020	2019
	£ 000	£ 000
Depreciation expense	415	396
Foreign exchange gains	6	34
Property related expenses	198	44
Bad Debts Provision - Specific	34	26
Depreciation - Right of Use Asset	930	763

5 Auditors' remuneration

	2020	2019
	£ 000	£ 000
Audit of the financial statements	29	19
Other fees to auditors		
All other non-audit services	20	-
	49	19

6 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2020	2019
	£ 000	£ 000
Wages and salaries	10,745	20,177
Social security costs	1,395	1,754
Pension costs, defined contribution scheme	983	972
	13,123	22,903

In 2019, wages and salaries included £6.4m in relation to write down of employee loans.

Virgin Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2020	2019
	No.	No.
Administration and support	98	103

7 Directors' remuneration

	2020	2019
	£ 000	£ 000
Directors' emoluments	986	961
Company contributions to defined contribution pension schemes	36	37
	<u>1,022</u>	<u>998</u>

During the year retirement benefits were accruing to 3 directors (2019: 3) in respect of defined contribution or SIPP schemes.

In respect of the highest paid director:

	2020	2019
	£ 000	£ 000
Remuneration	600	400

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £0.04m (2019: £0.02m).

Remuneration for certain directors is recharged to the ultimate parent company in respect of services provided to that company.

8 Interest receivable and similar income

	2020	2019
	£ 000	£ 000
Interest income from related undertakings	20	202
	<u>20</u>	<u>202</u>

Virgin Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

9 Interest payable and similar expenses

	2020	2019
	£ 000	£ 000
Interest expense to group related undertakings	323	311
Foreign exchange (gains) / losses	6	3
Interest expense on leases	76	93
	405	407

10 Income tax

Tax charged/(credited) in the profit and loss account and other comprehensive income

	2020	2019
	£ 000	£ 000
Current taxation		
UK corporation tax	(272)	(1,535)
Adjustments in respect of previous periods	(114)	(199)
	(386)	(1,734)
Deferred taxation		
Origination and reversal of temporary differences	146	352
Adjustments in respect of previous periods	64	(1,118)
Total deferred taxation	210	(766)
Tax on profit/(loss) on ordinary activities	(176)	(2,500)

The charge for the year can be reconciled to the (loss)/profit per the profit and loss account as follows:

	2020	2019
	£ 000	£ 000
(Loss)/profit before tax	(222,384)	60,465
(Loss)/profit before taxation on continued operations multiplied by standard rate of corporation tax in the UK of 19.00% (2019 - 19.00%)	(42,253)	11,488
Expenses not deductible for tax purposes	42,209	488
Impact of changes in statutory tax rates	(83)	(41)
Adjustments in respect of current income tax of prior years	(113)	(1,316)
Income exempt from tax	-	(13,119)
Adjustments in respect of deferred income tax of prior years	64	-
Total tax credit	(176)	(2,500)

Virgin Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

	2020	2019
	£000	£000
Deferred tax (assets) and liabilities are attributable to the following:		
Fixed assets	(522)	(569)
Other timing differences	(34)	(197)
	(556)	(766)

	2020
	£000
The net deferred tax movement in the balance sheet is as follows:	
As at 1 January 2020	(766)
Income statement charge/(credit)	210
As at 31 December 2020	(556)

A change to the main UK corporation tax rate announced in the budget on 11 March 2020, was substantively enacted on 17 March 2020. The rate applicable from 1 April 2020 now remains at 19%, rather than the previously enacted reduction to 17%. Accordingly the deferred tax asset as at 31 December 2020 has been calculated at the rate of 19% (2019:17%).

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 deferred tax balance would have been increased by (£176,000) if the change in the rate of corporation tax had been substantively enacted at the balance sheet date.

The Company has not recognised deferred tax assets in respect of gross unused tax losses of £22.3m (2019: £22.3m).

Virgin Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

11 Tangible fixed assets

	Land and buildings £ 000	Furniture, fittings and equipment £ 000	Other property, plant and equipment £ 000	Total £ 000
Cost or valuation				
At 1 January 2020	2,225	470	1,521	4,216
Additions	-	8	71	79
At 31 December 2020	<u>2,225</u>	<u>478</u>	<u>1,592</u>	<u>4,295</u>
Depreciation				
At 1 January 2020	1,460	294	1,257	3,011
Charge for the year	<u>228</u>	<u>43</u>	<u>144</u>	<u>415</u>
At 31 December 2020	<u>1,688</u>	<u>337</u>	<u>1,401</u>	<u>3,426</u>
Carrying amount				
At 31 December 2020	<u>537</u>	<u>141</u>	<u>191</u>	<u>869</u>
At 31 December 2019	<u>765</u>	<u>176</u>	<u>264</u>	<u>1,205</u>

12 Right of use assets

	Property £ 000
Cost or valuation	
At 1 January 2020	<u>4,829</u>
At 31 December 2020	<u>4,829</u>
Depreciation	
At 1 January 2020	764
Charge for the year	<u>930</u>
At 31 December 2020	<u>1,694</u>
Carrying amount	
At 31 December 2020	<u>3,135</u>
At 31 December 2019	<u>4,065</u>

Virgin Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

13 Trade and other debtors

	31 December 2020 £ 000	31 December 2019 £ 000
Trade debtors	2,377	2,064
Amounts due from related parties	29,824	23,155
Prepayments and contract assets	437	933
Other debtors	121	58
Taxation and social security	-	178
	32,759	26,388

14 Trade and other creditors

	31 December 2020 £ 000	31 December 2019 £ 000
Trade creditors	39	883
Accrued expenses	4,273	4,168
Amounts due to related parties	21,467	17,572
Other creditors	2,253	2,935
	28,032	25,558

At 31 December 2020, the Company has total lease liabilities of £3,174,000 (2019: 4,103,000) of which £2,321,000 (2019: £3,174,000) is non current.

15 Other provisions

	Other provisions £ 000
At 1 January 2020	610
Provisions utilised	-
At 31 December 2020	610

Dilapidations provision

Leasehold dilapidations represent provisions held relating to leased land and buildings where restoration costs are contractually required at the end of the lease. Where such costs arise as a result of capital expenditure on the leased asset, the restoration costs are also capitalised.

Virgin Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

16 Share capital

Allotted, called up and fully paid shares

	31 December 2020		31 December 2019	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £0.10 each	<u>2,000,000</u>	<u>200,000</u>	<u>6,277,420</u>	<u>627,742</u>

Share Premium

The share premium account represents the excess of the issue price over the par value of shares issued. On 22 December 2020, the Company carried out a capital reduction whereby the share capital account was reduced to £200m and the entire share premium account was cancelled.

17 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £983,000 (2019: £973,000).

Virgin Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

18 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.

	Turnover £000	Expenses £000	Debtors £000
2020			
Vioco 10 Limited	101	-	84
Virgin Atlantic Limited	-	-	20
Virgin Healthcare Holdings Limited	-	-	10
Virgin Hotels LLC	-	-	76
Virgin Rail Group Holdings Limited	180	-	107
Virgin Red Limited	-	-	161
VAL TM Limited	-	-	6
VAL TM Holdings Limited	-	-	4
	<u>281</u>	<u>-</u>	<u>468</u>
	Turnover £000	Expenses £000	Debtors £000
2019			
Vioco 10 Limited	169	-	60
Virgin Atlantic Limited	25	23	32
Virgin Healthcare Holdings Limited	13	-	1
Virgin Hotels LLC	-	-	1
Virgin Rail Group Holdings Limited	-	-	149
Virgin Red Limited	-	-	133
	<u>207</u>	<u>23</u>	<u>376</u>

19 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 respectively, 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.

Virgin Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

20 Post balance sheet events

There have been no significant events affecting the Company since year end.

21 Investments

	Shares in group £000	Other investments £000	Total £000
Cost or valuation			
At 1 January 2020	1,295,715	866	1,296,581
Additions	852	-	852
Return of capital	(55,995)	-	(55,995)
	<u>1,240,572</u>	<u>866</u>	<u>1,241,438</u>
Impairment			
At 1 January 2020	11,548	866	12,414
Charge for the year	220,263	-	220,263
	<u>231,811</u>	<u>866</u>	<u>232,677</u>
Net book value			
At 31 December 2020	<u>1,008,761</u>	<u>-</u>	<u>1,008,761</u>
At 31 December 2019	<u>1,284,167</u>	<u>-</u>	<u>1,284,167</u>

Return of Capital

On 22 December 2020, the Company received dividends of £56.0m from its subsidiaries which were treated as a return of capital against the cost of the investment.

Impairment

During 2020, the Company recognised a £220.3m impairment on its investment in subsidiary companies. In 2020, arrangements such as royalty deferral agreements were put in place with licensee businesses heavily impacted by the Covid-19 pandemic in order to provide them with additional funding (predominately Virgin Atlantic, Virgin Australia and Virgin Active). These arrangements have led to reduced forecast future royalty cash flows from these businesses, and from its hotel businesses, resulting in an impairment.

The carrying amount of the investments in subsidiary companies at year end of £1,008.8m is either supported by the net assets of the underlying subsidiary or the value of the expected future cash flows discounted at a pre-tax discount rate.

The key assumptions in calculating the recoverable amount of investments in subsidiary companies supported by the value in use of the underlying subsidiary include cash flows, long term growth rate and discount rate.

Virgin Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

Cash Flow Assumptions

The cash flows used in the value in use calculation are pre-tax cash flows based on the forecast royalty cash flows.

The key assumption is revenue growth which is forecast based on known or forecast royalty inflows in line with trademark license agreements for future periods. External factors, including the consumer environment, are also taken into account in the more short-term forecasts.

Long Term Growth Rate Assumptions

For the purposes of impairment testing, the cash flows are extrapolated until either expiry of the trademark licence agreement or into perpetuity using growth assumptions relevant for the business sector. The long term growth rate applied is 3% based on long term growth in 2026 until perpetuity or expiry of the licence.

Discount Rate Assumptions

The discount rate applied to the cash flows is calculated using a pre-tax rate anticipated for a market in which the licensee's are based.

In the current period, the pre tax discount rate used to discount the forecast cash flows is 9.02%.

Virgin Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

Details of the subsidiaries as at 31 December 2020 are as follows:

Name of subsidiary	Registered office	Holding	Proportion of ownership interest 2020
Virgin Entertainment Holdings Inc *	Corporation Services, 251 Little Falls Drive, Wilmington, DE 19808, United States USA	Ordinary	100%
VHP Holdings, LP*	Corporation Services, 251 Little Falls Drive, Wilmington, DE 19808, United States USA	Class A units	98.1%
Virgin Summit Eden House, LLC*	Corporation Services, 251 Little Falls Drive, Wilmington, DE 19808, United States USA	Membership interest	100%
VHRE Las Vegas, LLC*	Corporation Services, 251 Little Falls Drive, Wilmington, DE 19808, United States USA	Membership Interest	100%
Village Development LLC*	Corporation Services, 251 Little Falls Drive, Wilmington, DE 19808, United States	Membership interest	100%
V3L Nashville Inc*	Corporation Services, 251 Little Falls Drive, Wilmington, DE 19808, United States USA	Membership interest	100%
VHRE New Orleans LLC*	Corporation Services, 251 Little Falls Drive, Wilmington, DE 19808, United States USA	Membership interest	100%
Virgin Hotels Holdings, LLC*	Corporation Services, 251 Little Falls Drive, Wilmington, DE 19808, United States USA	Class A units	96.4%

Virgin Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

Name of subsidiary	Registered office	Holding	Proportion of ownership interest 2020
Virgin Hotels, LLC*	Incorp Services, Inc., 919 North Market Street, Suite 950, Wilmington, New Castle, DE 19801, United States USA	Membership interest	95.8%
Virgin Hotels North America, LLC*	Incorp Services, 919 North Market Street, Suite 950, Wilmington, New Castle, DE 19801, United States USA	Membership interest	86.3%
Virgin Hotels Dallas LLC*	Incorp Services, 919 North Market Street, Suite 950, Wilmington, New Castle, DE 19801, United States USA	Membership interest	86.3%
Virgin Hotels San Francisco LLC*	Incorp Services, 919 North Market Street, Suite 950, Wilmington, New Castle, DE 19801, United States USA	Membership interest	86.3%
VH San Fran, LLC*	Incorp Services, Inc., 5716 Corsa Avenue, Suite 110, Westlake Village, CA 91362-7354, United States USA	Membership interest	86.3%
Virgin Hotels New York LLC*	Incorp Services, Inc., 919 North Market Street, Suite 950, Wilmington, New Castle, DE 19801, United States USA	Membership interest	86.3%
Virgin Hotels Nashville, LLC*	Incorp Services, 919 North Market Street, Suite 950, Wilmington, New Castle, DE 19801, United States USA	Membership interest	86.3%

Virgin Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

Name of subsidiary	Registered office	Holding	Proportion of ownership interest 2020
Virgin Hotels New Orleans, LLC*	Incorp Services, 919 North Market Street, Suite 950, Wilmington, New Castle, DE 19801, United States USA	Membership interest	86.3%
Virgin Hotels Philadelphia, LLC	Incorp Services, 919 North Market Street, Suite 950, Wilmington, New Castle, DE 19801, United States USA	Membership Interest	86.3%
Virgin Hotels Edinburgh, LLC*	Incorp Services, 919 North Market Street, Suite 950, Wilmington, New Castle, DE 19801, United States USA	Membership interest	86.3%
Virgin Hotels Chicago LLC*	Incorp Services, 919 North Market Street, Suite 950, Wilmington, New Castle, DE 19801, United States USA	Membership interest	86.3%
VHC Upper, LLC*	Incorp Services, Inc., 901 S 2nd Street, Suite 201, Springfield, IL 62704	Membership interest	86.3%
VHC Middle LLC*	Incorp Services, Inc., 901 S 2nd Street, Suite 201, Springfield, IL 62704 USA	Membership interest	86.3%
VHC Lower LLC*	Incorp Services, Inc., 901 S 2nd Street, Suite 201, Springfield, IL 62704 USA	Membership interest	86.3%
Virgin Hotels Palm Springs, LLC*	Incorp Services, 919 North Market Street, Suite 950, Wilmington, New Castle, DE 19801, United States USA	Membership interest	86.3%

Virgin Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

Name of subsidiary	Registered office	Holding	Proportion of ownership interest 2020
Virgin Hotels Miami Bricknell, LLC*	Incorp Services, Inc., 919 North Market Street, Suite 950, Wilmington, New Castle, DE 19801, United States USA	Membership interest	86.3%
Virgin Hotels Las Vegas, LLC*	Incorp Services, Inc., 919 North Market Street, Suite 950, Wilmington, New Castle, DE 19801, United States USA	Membership interest	86.3%
Virgin Hotels Glasgow LLC	Incorp Services, Inc., 919 North Market Street, Suite 950, Wilmington, New Castle, DE 19801, United States USA	Membership Interest	86.3%
Virgin Start Up Limited	The Battleship Building, 179 Harrow Road, London W2 6NB, United Kingdom England & Wales	Ordinary	100%
VEL Holdings Limited	The Battleship Building, 179 Harrow Road, London W2 6NB, United Kingdom England & Wales	Ordinary	100%
Virgin Enterprises Limited*	The Battleship Building, 179 Harrow Road, London W2 6NB, United Kingdom England & Wales	Ordinary	100%
Virgin Aviation TM Holdings Limited*	The Battleship Building, 179 Harrow Road, London W2 6NB, United Kingdom England & Wales	Ordinary	100%
Virgin Aviation TM Limited*	The Battleship Building, 179 Harrow Road, London W2 6NB, United Kingdom England & Wales	Ordinary	100%

Virgin Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

Name of subsidiary	Registered office	Holding	Proportion of ownership interest 2020
VAL Trademark Two Limited*	The Battleship Building, 179 Harrow Road, London W2 6NB, United Kingdom England & Wales	Ordinary	100%
VAL Trademark Three Limited*	The Battleship Building, 179 Harrow Road London W2 6NB, United Kingdom England & Wales	Ordinary	100%
VAL TM (Holdings) Limited*	The Battleship Building, 179 Harrow Road, London W2 6NB, United Kingdom England & Wales	Ordinary	51%
VAL TM Limited*	The Battleship Building, 179 Harrow Road, London W2 6NB, United Kingdom England & Wales	Ordinary	51%
Virgin Management Asia Pacific Pty Limited	Virgin Active Health Clubs, Level 5, East Village, 2A Defries Avenue, Zetland NSW 2017 Australia	Ordinary	100%
Virgin Unite Nominees Pty Limited*	Virgin Active Health Clubs, East Village Level 5, 2A Defries Avenue, Zetland NSW 2017 Australia	Ordinary	100%
Virgin Trustee Services Limited	The Battleship Building, 179 Harrow Road, London W2 6NB, United Kingdom England & Wales	Ordinary	100%
Virgin Limited	The Battleship Building, 179 Harrow Road, London W2 6NB, United Kingdom England & Wales	Ordinary	100%

Virgin Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

Name of subsidiary	Registered office	Holding	Proportion of ownership interest 2020
Virgin Management South Africa (Pty) Limited	Unit G5 Century Gate Office Park, CNR Century Way and Bosmansdam Road, Century City, 7441, South Africa South Africa	Ordinary	100%
VHD Concessions Holdings, LLC *	Incorp Services, Inc., 919 North Market Street, Suite 950, Wilmington, New Castle, DE 19801, United States USA	Membership interest	86.3%
VHD Concessions Middle, LLC *	Incorp Services, Inc., 919 North Market Street, Suite 950, Wilmington, New Castle, DE 19801, United States USA	Membership interest	86.3%
VH Dallas Concessions, LLC *	Incorp Services, Inc., 919 North Market Street, Suite 950, Wilmington, New Castle, DE 19801, United States USA	Membership interest	86.3%
Virgin Hotels Central Services, LLC*	Incorp Services, Inc., 919 North Market Street, Suite 950, Wilmington, New Castle, DE 19801, United States USA	Membership interest	86.3%
Baronne Street Hotel Sponsor Parent LLC*	Robert E Buccini, 1000 N West Street Suite 900, Wilmington DE 19801, United States USA	Ordinary	69.2%
Baronne Street Hotel Sponsor LLC*	Robert E Buccini, 1000 N West Street Suite 900, Wilmington DE 19801, United States USA	Ordinary	69.2%
Virgin Management Consulting (Shanghai) Co Limited*	Room 27 23rd Floor 33 Hua Yuan Shi Qiao Road, Pu Dong District Shanghai China		100%

Virgin Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

*Indirectly held investment

Joint ventures

Details of the joint ventures as at 31 December 2020 are as follows:

Name of joint ventures	Registered office	Proportion of ownership interest and voting rights held	
		2020	2019
VH Properties LLLP *	Corporation Trust Center, 1209 Orange St, Wilmington. New Castle, United States USA	35%	35%
VHB Properties LLC *	Corporation Trust Center, 1209 Orange St, Wilmington. New Castle, United States USA	35%	35%
VH NA Acquisitions LP *	Corporation Services, 251 Little Falls Drive, Wilmington, DE 19808, United States USA	31.5%	31.5%
VHNA Acquisition, LLC *	Corporation Services, 251 Little Falls Drive, Wilmington, DE 19808, United States USA	35%	35%
Nashville Music Row Hotel JV LLC*	Robert E Buccini, 322 A Street, Suite 300, Wilmington DE 19801, United States USA	50%	50%
Nashville Music Row Hotel Holdings LLC *	Robert E Buccini, 322 A Street, Suite 300, Wilmington DE 19801, United States USA	50%	50%
Nashville Music Row Hotel Mezz LLC *	Robert E Buccini, 322 A Street, Suite 300, Wilmington DE 19801, United States USA	50%	50%
Nashville Music Row Hotel Owner LLC *	Robert E Buccini, 322 A Street, Suite 300, Wilmington DE 19801, United States USA	50%	50%

Virgin Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

Name of joint ventures	Registered office	Proportion of ownership interest and voting rights held	
		2020	2019
Streetubez, LLC	140 Avenida Del Reposo, San Clemente, CA 92672, United States USA	20%	20%

*Indirectly held investment