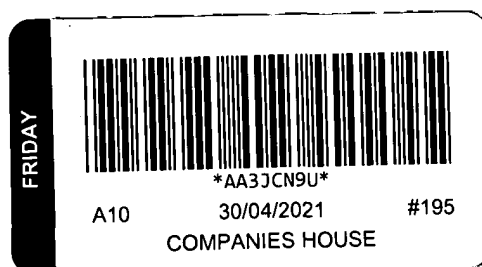


**THE CHAMPNEYS INTERNATIONAL COLLEGE LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 APRIL 2020**

**PAGES FOR FILING WITH REGISTRAR**



# THE CHAMPNEYS INTERNATIONAL COLLEGE LIMITED

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# THE CHAMPNEYS INTERNATIONAL COLLEGE LIMITED

## BALANCE SHEET

AS AT 30 APRIL 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Intangible assets	3		4,502		6,033
Tangible assets	4		64,002		72,787
			<u>68,504</u>		<u>78,820</u>
<b>Current assets</b>					
Stocks		18,069		17,777	
Debtors	5	1,122,939		1,123,817	
Cash at bank and in hand		116,532		27,116	
		<u>1,257,540</u>		<u>1,168,710</u>	
<b>Creditors: amounts falling due within one year</b>	6	<u>(1,292,447)</u>		<u>(1,219,501)</u>	
<b>Net current liabilities</b>			<u>(34,907)</u>		<u>(50,791)</u>
<b>Total assets less current liabilities</b>			<u>33,597</u>		<u>28,029</u>
<b>Capital and reserves</b>					
Profit and loss reserves			<u>33,597</u>		<u>28,029</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 26 April 2021 and are signed on its behalf by:



Mrs D Purdew OBE  
Director

Company Registration No. 03636116

# THE CHAMPNEYS INTERNATIONAL COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2020

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### 1 Accounting policies

#### Company information

The Champneys International College Limited is a private company limited by guarantee incorporated in England and Wales. Each member of the company undertakes to contribute such amount as may be required (not exceeding £1) to the company's assets if it should be wound up while they are a member or within one year after they cease to be a member. The registered office is Palladium House, 1-4 Argyll Street, London, United Kingdom, W1F 7LD.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

The balance sheet shows net current liabilities of £34,907 (2019: £50,791). The directors are confident that the company will continue in operational existence and continue to be supported by its parent company, fellow group companies and by its bankers for the foreseeable future.

The Directors have carefully considered the position of the Company following the uncertainty created by the recent COVID - 19 pandemic, which has caused significant disruption to the operations of the Company. All courses that were underway at 23 March 2020, or were due to take place soon after were cancelled or postponed. It is anticipated that these will recommence once the current restrictions are removed.

All appropriate measures have been put in place to reduce the financial impact on the Company. The business has taken advantage of various government schemes to help it through this difficult period such as; Government job retention scheme, deferment of VAT and the business rates holiday.

The directors have prepared detailed Company and Group financial projections for 2020/21 and 2021/22. These projections are based on assumptions that the directors consider to be reasonable and achievable, and consider alternative scenarios to show the impact of COVID-19. As well as having on-going support from its banking partners, the parent company has taken Government backed CLBILS financing to ensure it has sufficient financial resources to meet its liabilities as they fall due. As at the time of approving the financial statements, the parent company has received additional loan financing of £14m and agreed a further £6m term loan in principle, all since the balance sheet date, and these has been factored into the forecasts.

Based upon these forecasts, the directors are confident that the company can continue to meet its obligations as they fall due. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

#### 1.3 Turnover

Turnover represents course fees paid by students net of value added tax and is recognised on an accruals basis over the period of the courses.

Rental income from students' accommodation is recognised on an accruals basis in accordance with the rental contracts.

# THE CHAMPNEYS INTERNATIONAL COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

### 1 Accounting policies

(Continued)

#### 1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Website Development	7 years straight line
---------------------	-----------------------

Assets are only amortised once brought into use.

#### 1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	At varying rates between 5 and 10 years straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Assets are only depreciated once they have been brought into use.

#### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

# THE CHAMPNEYS INTERNATIONAL COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

### 1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.7 Stocks

Stock represents cosmetic products and other spa treatments and is valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less costs of disposal.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.8 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

# THE CHAMPNEYS INTERNATIONAL COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2020

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#### 1 Accounting policies

(Continued)

##### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

#### 1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

# THE CHAMPNEYS INTERNATIONAL COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 30 APRIL 2020**

### **1 Accounting policies**

**(Continued)**

#### **1.12 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.13 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

#### **1.14 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

### **2 Employees**

The average monthly number of persons (including directors) employed by the company during the year was:

	<b>2020 Number</b>	<b>2019 Number</b>
Total	11	12



# THE CHAMPNEYS INTERNATIONAL COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

### 3 Intangible fixed assets

	Website Development £
<b>Cost</b>	
At 1 May 2019 and 30 April 2020	10,654
<b>Amortisation and impairment</b>	
At 1 May 2019	4,621
Amortisation charged for the year	1,531
At 30 April 2020	6,152
<b>Carrying amount</b>	
At 30 April 2020	4,502
At 30 April 2019	6,033

### 4 Tangible fixed assets

	Plant and equipment £	Plant and machinery £	Total £
<b>Cost</b>			
At 1 May 2019	8,017	158,052	166,069
Additions	570	3,677	4,247
At 30 April 2020	8,587	161,729	170,316
<b>Depreciation and impairment</b>			
At 1 May 2019	7,765	85,517	93,282
Depreciation charged in the year	822	12,210	13,032
At 30 April 2020	8,587	97,727	106,314
<b>Carrying amount</b>			
At 30 April 2020	-	64,002	64,002
At 30 April 2019	252	72,535	72,787

Tangible fixed assets with a carrying amount of £64,002 (2019: £72,787) have been pledged to secure borrowings of the group. The company is not allowed to pledge these assets as security for other borrowings or to sell them to another entity until the relevant charge has been satisfied.

# THE CHAMPNEYS INTERNATIONAL COLLEGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

### 5 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	138,271	135,066
Amounts owed by group undertakings	974,297	970,103
Other debtors	10,371	18,648
	<u>1,122,939</u>	<u>1,123,817</u>

### 6 Creditors: amounts falling due within one year

	2020 £	2019 £
Bank loans and overdrafts	-	3,576
Trade creditors	18,666	8,054
Amounts owed to group undertakings	1,037,618	976,370
Taxation and social security	10,973	2,900
Other creditors	225,190	228,601
	<u>1,292,447</u>	<u>1,219,501</u>

### 7 Members' liability

The company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding £1.

### 8 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was James Leigh.

The auditor was Azets Audit Services.

### 9 Financial commitments, guarantees and contingent liabilities

The company is party to a cross guarantee for the bank borrowings of the group. The borrowings are secured by way of a fixed and floating charge over the assets of the company. At the year end the liabilities covered by these guarantees totalled £77,900,000 (2019: £72,500,000).

# **THE CHAMPNEYS INTERNATIONAL COLLEGE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 30 APRIL 2020***

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### **10 Related party transactions**

The company has taken advantage of the exemption available in FRS102 Section 33.1A "Related party disclosures" whereby it has not disclosed transactions with any other wholly owned subsidiary undertaking of the Champneys Henlow Limited Group.

### **11 Parent company**

The company is a subsidiary of Champneys Henlow Limited which is the ultimate parent company. The immediate parent company is Champneys Tring Limited.

The largest and smallest group in which the results of the company are consolidated is that headed by Champneys Henlow Limited, incorporated in the UK. The consolidated accounts of this company are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.