Company Registration No. 11095894 (England and Wales)

CHAMPNEYS MARINE LIMITED

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 APRIL 2019

PAGES FOR FILING WITH REGISTRAR

CHAMPNEYS MARINE LIMITED

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CHAMPNEYS MARINE LIMITED

BALANCE SHEET

AS AT 30 APRIL 2019

	Notes	2019 £	£
Fixed assets			
Tangible assets	3		138,121
Current assets			
Stocks		246,660	
Debtors	4	281,240	
Cash at bank and in hand		116,019	
		643,919	
Creditors: amounts falling due within one year	5	(877,630)	
Net current liabilities			(233,711)
Total assets less current liabilities			(95,590)
Capital and reserves			
Called up share capital	6		100
Profit and loss reserves			(95,690)
Total equity			(95,590)

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 19/12/2019 and are signed on its behalf by:

....
Mr Stephen Purdew
Director

Company Registration No. 11095894

1 Accounting policies

Company information

Champneys Marine Limited is a private company limited by shares incorporated in England and Wales. The registered office is Palladium House, 1-4 Argyll Street, London, 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, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

These financial statements show a loss for the year and an overall a net liabilities position of £95,590 and a net current liabilities position of £233,711. The financial statements are prepared on the going concern basis. The directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future. This is dependent on the continued financial support of the company's parent undertaking and other companies in the group. The directors are confident of continued funding from these sources.

1.3 Reporting period

This is the first accounting period for the company. The financial statements cover the period from 5 December 2017 to 30 April 2019.

1.4 Turnover

Turnover represents sales to customers for spa treatments and retail products invoiced in the normal course of business, and is shown net of Sales tax.

Revenue from the sale of spa treatments and other related services is recognised when the service is provided, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the sale of retail products is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually at the point of sale), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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:

Fixtures and fittings	3-4 years straight line

1 Accounting policies **(Continued)**

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.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

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

Stocks represent cosmetics, toiletries and spa treatment materials and are 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. Where necessary, provisions are made for obsolete, slow-moving and defective stock.

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.

1 Accounting policies **(Continued)**

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.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies 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.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1 Accounting policies **(Continued)**

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

2 Employees

The average monthly number of persons (including directors) employed by the company during the period was 3.

3 Tangible fixed assets

	Fixtures and fittings £
Cost	
At 5 December 2017	-
Additions	182,631
At 30 April 2019	182,631
Depreciation and impairment	
At 5 December 2017	-
Depreciation charged in the period	44,510
At 30 April 2019	44,510
Carrying amount	
At 30 April 2019	138,121

4 Debtors

Amounts falling due within one year:	**2019 £**
Trade debtors	98,721
Other debtors	182,519
	281,240

5 Creditors: amounts falling due within one year

	2019
	£
Trade creditors	75,766
Amounts owed to group undertakings	745,553
Other creditors	56,311
	877,630

6 Called up share capital

	2019
	£
Ordinary share capital	
Issued and fully paid	
100 Ordinary shares of £1 each	100

During the period, 100 Ordinary shares of £1 each were allotted at par for cash consideration.

7 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 qualified and the auditor reported as follows:

Disclaimer of Opinion
We were engaged to audit the financial statements of Champneys Marine Limited (the 'company') for the period ended 30 April 2019 which comprise , the balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

We do not express an opinion on the accompanying financial statements of the company. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion
The company's stock of cosmetics, toiletries, spa treatment materials and base stock is carried at £246,660 on the company's balance sheet, which represents over 40% of the company's current assets as at 30 April 2019 and exceeds its reported net loss for the period then ended. We did not attend the company's year end stock count at the period end as we had not been appointed as auditors until after the year end. As a result, we were unable to determine the existence and completeness of stock and whether any adjustments would be necessary for damaged, unsaleable or unusable stock. We have not been able to carry out alternative audit procedures in these areas.

The senior statutory auditor was Russell Tenzer FCA.
The auditor was Blick Rothenberg Audit LLP.

8 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 period end, the liabilities covered by these guarantees totalled £72,500,000.

The health and spa services provided on-board cruise ships travelling to or within international waters have been treated as outside the scope of Output VAT in accordance with what was understood to be industry practice. At present the directors do not believe that Output VAT is payable but, following enquiries raised by HM Revenue & Customs and detailed research and analysis by its advisers, the directors recognise that due to a lack of clarity in UK VAT legislation and official published guidance from HM Revenue & Customs, there is sufficient uncertainty over the VAT treatment of health and spa services provided on-board cruise ships that were this not to be the case there would be a VAT liability in the region of £72,200.

9 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2019
	£
Acquisition of tangible fixed assets	50,000

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 immediate and ultimate parent company.

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