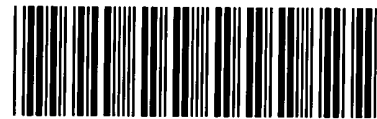


Financial Statements

CFW Operations Europe Limited

For the Year Ended 31 December 2016

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COMPANIES HOUSE

Registered number: 08502725

CFW Operations Europe Limited

Company Information

Director	M Sharma
Registered number	08502725
Registered office	Riverbank House 2 Swan Lane LONDON EC4R 3TT
Independent auditors	Grant Thornton UK LLP Chartered Accountants 3140 Rowan Place John Smith Drive OXFORD OX4 2WB

CFW Operations Europe Limited

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Director's Report

For the Year Ended 31 December 2016

The director presents his report and the financial statements for the year ended 31 December 2016.

Director

The director who served during the year was:

M Sharma

Going Concern

The accounts have been prepared on a going concern basis. The director has prepared forecasts and reviewed capital requirements for twelve months from the date of approving these financial statements, which indicate the business can continue to trade for at least twelve months.

Director's responsibilities statement

The director is responsible for preparing the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is satisfied that he gives a true and fair view of the state of affairs and profit or loss of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

The director at the time when this Director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the company's auditors are unaware, and
- he 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 auditors are aware of that information.

CFW Operations Europe Limited

Director's Report (continued)
For the Year Ended 31 December 2016

Auditors

The auditors, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the director has taken advantage of the small companies exemption provided by section 415A of the Companies Act 2006.

This report was approved by the board on 22 September 2017 and signed on its behalf.



M Sharma
Director



Independent Auditors' Report to the Members of CFW Operations Europe Limited

We have audited the financial statements of CFW Operations Europe Limited for the year ended 31 December 2016, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is the applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As explained more fully in the Director's responsibilities statement on page 1, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.



Independent Auditors' Report to the Members of CFW Operations Europe Limited (continued)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Director's report for the financial year for which the financial statements are prepared is consistent with those financial statements; and
- the Director's report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Director's report.

A handwritten signature in black ink, appearing to read 'Mark Bishop UK LLP'.

Mark Bishop ACA (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants
Oxford

28 September 2017

Statement of Comprehensive Income

For the Year Ended 31 December 2016

	Note	2016 £	2015 £
Turnover		488,974	609,071
Gross profit		488,974	609,071
Administrative expenses		(405,974)	(579,140)
Operating profit		83,000	29,931
Tax on profit		(28,322)	(5,699)
Profit for the year		54,678	24,232
Other comprehensive income for the year			
Total comprehensive income for the year		54,678	24,232

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of comprehensive income.

The notes on pages 8 to 13 form part of these financial statements.

CFW Operations Europe Limited
Registered number:08502725

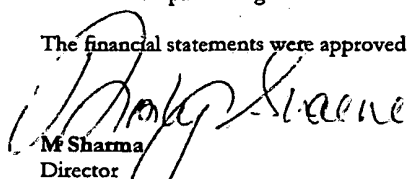
Statement of Financial Position

As at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	5	-	155
Current assets			
Debtors: amounts falling due within one year	6	1,245,849	907,738
Cash at bank and in hand	7	666	893
		<u>1,246,515</u>	<u>908,631</u>
Creditors: amounts falling due within one year	8	<u>(1,103,437)</u>	<u>(820,363)</u>
Net current assets		<u>143,078</u>	<u>88,268</u>
Total assets less current liabilities		<u>143,078</u>	<u>88,423</u>
Provisions for liabilities			
Deferred tax	9	-	(23)
		<u>-</u>	<u>(23)</u>
Net assets		<u>143,078</u>	<u>88,400</u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		<u>142,978</u>	<u>88,300</u>
		<u>143,078</u>	<u>88,400</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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


M Sharma
 Director

Date: 22 September 2017

The notes on pages 8 to 13 form part of these financial statements.

CFW Operations Europe Limited

Statement of Changes in Equity
For the Year Ended 31 December 2016

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2016	100	88,300	88,400
Comprehensive income for the year			
Profit for the year	-	54,678	54,678
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	54,678	54,678
At 31 December 2016	100	142,978	143,078

Statement of Changes in Equity
For the Year Ended 31 December 2015

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2015	100	64,068	64,168
Comprehensive income for the year			
Profit for the year	-	24,232	24,232
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	24,232	24,232
At 31 December 2015	100	88,300	88,400

The notes on pages 8 to 13 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2016

1. General information

CFW Operations Europe Limited is a private company limited by shares and registered in England and Wales. Registered number 08502725. Its registered head office is located at Riverbank House, 2 Swan Lane, London, EC4R 3TT.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The members have agreed to the preparation of abridged accounts for this accounting period in accordance with Section 444(2A) of the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The accounts have been prepared on a going concern basis. The director has prepared forecasts and reviewed capital requirements for twelve months from the date of approving these financial statements, which indicate the business can continue to trade for at least twelve months.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Notes to the Financial Statements

For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.4 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.

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.

The estimated useful lives range as follows:

Office equipment - 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 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.

Notes to the Financial Statements

For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.7 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.9 Foreign currency translation

The company's functional and presentational currency is GBP

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions. Exchange gains or losses are recognised in the Statement of Comprehensive Income.

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Notes to the Financial Statements

For the Year Ended 31 December 2016

3. Auditors' remuneration

	2016 £	2015 £
Auditors' remuneration	14,250	11,600
Fees payable to the company's auditor and its associates in respect of:		
Audit-related assurance services	9,500	8,500
Taxation compliance services	4,750	3,100
	14,250	11,600

4. Employees

The average monthly number of employees, including directors, during the year was 6 (2015: 7).

5. Tangible fixed assets

	Office equipment £
Cost or valuation	
At 1 January 2016	1,118
Exchange adjustments	228
At 31 December 2016	1,346
Depreciation	
At 1 January 2016	963
Charge for the period on owned assets	169
Exchange adjustments	214
At 31 December 2016	1,346
Net book value	
At 31 December 2016	-
At 31 December 2015	155

Notes to the Financial Statements

For the Year Ended 31 December 2016

6. Debtors

	2016 £	2015 £
Amounts owed by group undertakings	1,212,536	901,988
Other debtors	1,983	5,750
Tax recoverable	31,330	-
	<u>1,245,849</u>	<u>907,738</u>

Included within Other debtors is £100 (2015: £100) unpaid share capital.

7. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	<u>666</u>	<u>893</u>

8. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	287	959
Amounts owed to group undertakings	1,042,777	747,065
Corporation tax	14,126	5,771
Other taxation and social security	11,068	15,216
Other creditors	<u>35,179</u>	<u>51,352</u>
	<u>1,103,437</u>	<u>820,363</u>

9. Deferred taxation

	2016 £
At beginning of year	(23)
Utilised in year	<u>23</u>

Notes to the Financial Statements

For the Year Ended 31 December 2016

9. Deferred taxation (continued)

The provision deferred taxation balance is made up as follows:

	2016	2015
	£	£
Accelerated capital allowances	-	(23)

10. Related party transactions

During the period, the company provided management and administrative services to Curves Europe ML, Inc., a company incorporated in the USA, totaling £440,077 (2015: £548,164) and to Curves Europe Holdings, Inc., a company incorporated in the USA totaling £48,897 (2015: £60,907). Curves Europe ML, Inc. and Curves Europe Holdings, Inc., are subsidiaries of Curves International, Inc., this company's ultimate parent undertaking. At the year end, £927,592 (2015: £715,405) remained owed by Curves Europe ML, Inc. and £192,377 (2015: £115,044) remained owed by Curves Europe Holdings, Inc.

At the year end, the following intercompany loan balances remained owed to CFW Operations Europe Limited by companies within the group headed by Curves International, Inc. in relation to group treasury transactions:

CFW International Management BV, incorporated in the Netherlands, £88,426 (2015: £69,070)
 Curves France & Suisse SARL, incorporated in France, £530 (2015: £457)
 Curves International of Spain, S.A., incorporated in Spain, £3,511 (2015: £2,012)

At the year end, the following intercompany loan balances remained owed by CFW Operations Europe Limited by companies within the group headed by Curves International, Inc. in relation to group treasury transactions:

Curves International Holdings, Inc., incorporated in the USA, £46,986 (2015: £Nil)
 Curves International, Inc., incorporated in the USA, £592,999 (2015: £384,309)
 CFW Group, Inc., incorporated in the USA, £397,865 (2015: £330,600)
 Curves for Women II, LC, incorporated in the USA, £4,927 (2015: £4,094)

11. Controlling party

The company is wholly owned and controlled by Curves International Inc, a company incorporated in the United States of America.

12. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.