

CRUISE & MARITIME VOYAGES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

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CRUISE & MARITIME VOYAGES LIMITED

COMPANY INFORMATION

DIRECTORS

S M Weeks
S J Moore
C Coates
C Verhounig

REGISTERED NUMBER

07665897

REGISTERED OFFICE

5-7 John Prince's Street
London
W1G 0JN

INDEPENDENT AUDITORS

Elman Wall Limited
Chartered Accountants & Registered Auditors
5-7 John Prince's Street
London
W1G 0JN

CRUISE & MARITIME VOYAGES LIMITED

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CRUISE & MARITIME VOYAGES LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

Cruise and Maritime Voyages (CMV) is an independent British Cruise Line providing cruises originating in the UK. Its corporate headquarters are to the east of London in Purfleet, close to their home port of Tilbury. CMV sell cruises to mainly Northern European destinations such as Norway, the Baltic States and Great Britain. Cruises are marketed predominately in the UK but the company also has sales offices in the US and Australia. CMV is one of the few remaining independent cruise lines offering a more traditional and intimate style of cruising, along with destination focused itineraries.

CMV's fleet at the end of December 2013 consisted of the 800 passenger capacity Marco Polo, the 650 capacity Discovery and the 600 capacity Astor. The Marco Polo is operated year round, the Discovery is a joint venture with All Leisure Holidays plc and is operated from February to October and the Astor is deployed on the Australian domestic market.

In June 2014 an agreement was signed with Portuscale Cruises in Lisbon to charter the 550 berth Azores. The ship will replace the Discovery on CMV's regional programme and its hotel and deck/engine management will be handled entirely by CMV and the Global Maritime Group.

Marco Polo celebrates her 50th Anniversary in 2015 and this significant event is already impacting on early sales for next year.

The two most important performance indicators, yield and occupancy, both improved in 2013. Passenger occupancy increased and revenue per passenger per day improved by 10%. Passenger carryings increased in 2013 compared to 2012 and this trend is projected to continue during the current season and beyond.

The business has the full support of its ship-owning shareholder, who remains committed to high levels of on board quality and service. Satisfaction among passengers remains high with 95% rating their experience as good or excellent.

CMV's main threat is the challenge from larger cruise lines with spare capacity and predatory pricing on their ex-UK programmes. Steps were taken to mitigate this threat resulting in 95% of the 2014 programme being sold as at today. Early indications suggest that the company will be in a similar position in 2015.

The business remains exposed to global oil prices and currency fluctuations. Currency requirements for 2014 were fully hedged and the strong Pound, with the right hedging strategy, will enable the business to further reduce costs for 2015. There has been no need to surcharge passengers this season for fuel, but the company reserves the right to do so if necessary.

The business is passionate about the well-being and development of its staff. Training and welfare programmes are under constant review.

CMV is aware that they have a responsibility for the environment and therefore constantly monitor the stringent systems that are in place to protect the marine ecosystem and the health and safety of its passengers and crew.

The company continues to have the full support of its Directors and shareholders. They are confident of improving the group's position, both financially and as a brand, and are fully committed to the growth and long-term success of the business.

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


S M Weeks

Director

Date: 17/07/2014

CRUISE & MARITIME VOYAGES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their report and the financial statements for the year ended 31 December 2013.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 then apply them consistently;
- make judgments 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 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 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.

PRINCIPAL ACTIVITIES

The principal activity of the company is that of sales agents for cruise holiday operators and ship brokers.

RESULTS

The profit for the year, after taxation, amounted to £152,345 (2012 - £262,364).

DIRECTORS

The directors who served during the year were:

S M Weeks
S J Moore
R Bastow (resigned 31 October 2013)
C Coates
C Verhounig

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

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

CRUISE & MARITIME VOYAGES LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013**

AUDITORS

The auditors, Elman Wall Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



S M Weeks
Director

Date: 17/07/2014

CRUISE & MARITIME VOYAGES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CRUISE & MARITIME VOYAGES LIMITED

We have audited the financial statements of Cruise & Maritime Voyages Limited for the year ended 31 December 2013, set out on pages 6 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Directors' responsibilities statement, the directors are 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2013 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.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

CRUISE & MARITIME VOYAGES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CRUISE & MARITIME VOYAGES LIMITED

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Iain Palmer (Senior statutory auditor)

for and on behalf of
Elman Wall Limited

Chartered Accountants
Registered Auditors

5-7 John Prince's Street
London

W1G 0JN

Date: 17/07/2014

CRUISE & MARITIME VOYAGES LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	2013 £	Period ended 31 December 2012 £
TURNOVER	1,2	48,914,737	32,570,768
Cost of sales		(45,509,903)	(30,011,180)
GROSS PROFIT		3,404,834	2,559,588
Distribution costs		(967,047)	(936,725)
Administrative expenses		(2,285,540)	(1,341,593)
OPERATING PROFIT	3	152,247	281,270
Interest receivable and similar income		98	33
Interest payable and similar charges	6	-	(18,939)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		152,345	262,364
Tax on profit on ordinary activities	7	-	-
PROFIT FOR THE FINANCIAL YEAR	12	152,345	262,364

All amounts relate to continuing operations.

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and loss account.

The notes on pages 8 to 12 form part of these financial statements.

CRUISE & MARITIME VOYAGES LIMITED
REGISTERED NUMBER: 07665897

BALANCE SHEET
AS AT 31 DECEMBER 2013

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Tangible assets	8		216,492		180,665
CURRENT ASSETS					
Debtors	9	9,752,010		8,342,123	
Cash at bank and in hand		105,310		8,919	
		<u>9,857,320</u>		<u>8,351,042</u>	
CREDITORS: amounts falling due within one year	10	<u>(16,043,383)</u>		<u>(14,653,623)</u>	
NET CURRENT LIABILITIES			<u>(6,186,063)</u>		<u>(6,302,581)</u>
NET LIABILITIES			<u>(5,969,571)</u>		<u>(6,121,916)</u>
CAPITAL AND RESERVES					
Called up share capital	11		1		1
Profit and loss account	12		<u>(5,969,572)</u>		<u>(6,121,917)</u>
SHAREHOLDERS' DEFICIT	13		<u>(5,969,571)</u>		<u>(6,121,916)</u>

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


S M Weeks
Director

Date: 17/07/2014

The notes on pages 8 to 12 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 Going concern

The company meets its working capital requirements through support of its parent CMV Holidays London Limited and companies within the group. Having considered this, the directors are confident that the company will continue to receive support from the group for a period of at least twelve months from the signing of the financial statements. On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis.

1.3 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.4 Turnover

Turnover represents amounts receivable, excluding Value Added Tax, of cruises departing in the period.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant and machinery	-	25% straight line
Motor vehicles	-	33% straight line
Fixtures and fittings	-	25% straight line

1.6 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.7 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

CRUISE & MARITIME VOYAGES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

1. ACCOUNTING POLICIES (continued)**1.8 Pensions**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2. TURNOVER

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the United Kingdom.

3. OPERATING PROFIT

The operating profit is stated after charging:

	2013 £	2012 £
Depreciation of tangible fixed assets:		
- owned by the company	71,697	43,155
Auditors' remuneration	1,500	6,500
Operating lease rentals:		
- plant and machinery	-	3,401
Difference on foreign exchange	(57,086)	(3,133)
	<u> </u>	<u> </u>

4. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2013 £	2012 £
Wages and salaries	1,369,415	863,358
Social security costs	126,670	84,442
Other pension costs	26,238	20,310
	<u> </u>	<u> </u>
	<u>1,522,323</u>	<u>968,110</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2013 No.	2012 No.
Sales	18	17
Administration	36	35
	<u> </u>	<u> </u>
	<u>54</u>	<u>52</u>

CRUISE & MARITIME VOYAGES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

5. DIRECTORS' REMUNERATION

	2013 £	2012 £
Remuneration	132,338	144,609
Company pension contributions to defined contribution pension schemes	24,753	18,720

During the year retirement benefits were accruing to 1 director (2012 - 1) in respect of defined contribution pension schemes.

6. INTEREST PAYABLE

	2013 £	2012 £
On other loans	-	18,939

7. TAXATION**Factors affecting tax charge for the year/period**

The tax assessed for the year/period is lower than (2012 - the same as) the standard rate of corporation tax in the UK of 20% (2012 - 24%). The differences are explained below:

	2013 £	2012 £
Profit on ordinary activities before tax	152,345	262,364
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2012 - 24%)	30,469	62,967
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	625	2,391
Capital allowances for year/period in excess of depreciation	(7,898)	2,763
Utilisation of tax losses	(25,197)	(69,438)
Fixed asset differences	2,020	1,325
Group relief	(19)	(8)
Current tax charge for the year/period (see note above)	-	-

CRUISE & MARITIME VOYAGES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

8. TANGIBLE FIXED ASSETS

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost				
At 1 January 2013	144,505	-	100,738	245,243
Additions	72,527	26,520	11,687	110,734
Disposals	(2,617)	-	(593)	(3,210)
At 31 December 2013	214,415	26,520	111,832	352,767
Depreciation				
At 1 January 2013	34,244	-	30,334	64,578
Charge for the year	40,102	4,453	27,142	71,697
At 31 December 2013	74,346	4,453	57,476	136,275
Net book value				
At 31 December 2013	140,069	22,067	54,356	216,492
At 31 December 2012	110,261	-	70,404	180,665

9. DEBTORS

	2013 £	2012 £
Trade debtors	281,778	66,679
Amounts owed by group undertakings	491,632	821,646
Other debtors	1,977,326	1,335,612
Prepayments and accrued income	7,001,274	6,118,186
	9,752,010	8,342,123

**10. CREDITORS:
Amounts falling due within one year**

	2013 £	2012 £
Trade creditors	1,740,370	1,292,007
Amounts owed to group undertakings	11,875,080	10,964,870
Other taxation and social security	30,560	31,698
Other creditors	2,346,611	2,304,661
Accruals and deferred income	50,762	60,387
	16,043,383	14,653,623

CRUISE & MARITIME VOYAGES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

11. SHARE CAPITAL

	2013 £	2012 £
Allotted, called up and fully paid		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

12. RESERVES

	Profit and loss account £
At 1 January 2013	(6,121,917)
Profit for the financial year	152,345
At 31 December 2013	<u>(5,969,572)</u>

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	2013 £	2012 £
Opening shareholders' deficit	(6,121,916)	(6,384,281)
Profit for the financial year/period	152,345	262,364
Shares issued during the year/period	-	1
Closing shareholders' deficit	<u>(5,969,571)</u>	<u>(6,121,916)</u>

14. OPERATING LEASE COMMITMENTS

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		2013 £	Other 2012 £
	2013 £	2012 £		
Expiry date:				
Between 2 and 5 years	<u>110,023</u>	<u>110,023</u>	<u>19,411,000</u>	<u>18,700,000</u>

15. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate and ultimate parent company is CMV Holidays London Limited, a company registered in England and Wales, which is controlled by the directors of the company.