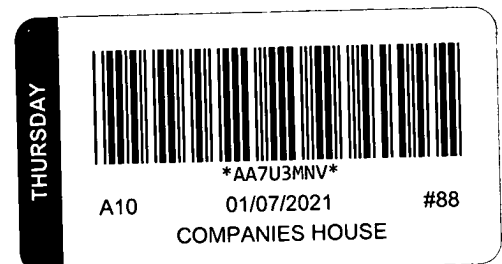


Registered number
01480303

Statesman Travel Services Limited

Report and Financial Statements

31 October 2020



Statesman Travel Services Limited
Report and financial statements
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Statesman Travel Services Limited
Company Information

Directors

M J Williamson
K M O'Malley
T Fleming

Secretary

M J Williamson

Auditors

Nexia Smith & Williamson
25 Moorgate
London
EC2R 6AY

Registered office

Senator House
85 Queen Victoria Street
London
EC4V 4AB

Registered number

01480303

Statesman Travel Services Limited

Registered number: 01480303

Directors' Report

The directors present their report and financial statements for the 10 month period ended 31 October 2020.

Principal activities

The Company's principal activity during the period was that of travel agents. The loss for the period of the Company after taxation was £1,200,324 (2019 profit: £587,726). The directors do not recommend the payment of a dividend (2019: nil).

Risk and uncertainties - COVID-19

As noted in note 1, the full financial impact of COVID-19 on the Company at this present time is uncertain, we expect the impacts of COVID-19 to adversely impact the Company's financial statements for the year ending 30 June 2021. While overall profitability is expected to decrease, we will continue to monitor our cost base and deferring discretionary expenditure. The directors believe that the Company and its ultimate parent company, Corporate Travel Management Limited are appropriately capitalised with sufficient liquidity to fund operations over the next 12 months, from the date of signing these accounts.

Future developments

Statesman Travel Services Limited will continue to trade as normal for the foreseeable future. CTM have acquired Statesman Travel Services Limited and there are no plans to transfer the client base over to CTM.

Directors

The following persons served as directors during the period:

M J Williamson
K M O'Malley
T Fleming

Disclosure of information to auditors

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This information is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Statesman Travel Services Limited
Registered number: 01480303
Directors' Report

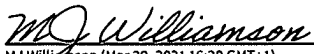
Auditor

A resolution to re-appoint the auditor, Nexia Smith & Williamson, will be proposed at the next Annual General Meeting.

Small companies' exemption

The above report has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006.

This report was approved by the board on 29 March 2021 and signed by its order.


MJ Williamson (Mar 29, 2021 16:20 GMT+1)

M J Williamson
Director

Statesman Travel Services Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing 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 period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and republic of Ireland". 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 judgements and estimates that are reasonable and prudent; and
- 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.

Statesman Travel Services Limited
Independent auditors' report
to the members of Statesman Travel Services Limited

Opinion

We have audited the financial statements of Statesman Travel Services Limited (the 'Company') for the 10 month period ended 31 October 2020 which comprise Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the notes to the financial statements, including 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).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2020 and of its loss for the period 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1 in these financial statements concerning the Company's ability to continue as a going concern. During the period and subsequent to the period ended 31 October 2020 the Company's trading and profitability has been adversely affected by the impact of COVID-19 on the travel management sector. The Directors have considered the trading results since the period end along with revised forecasts for the next 12 months, which assumes a decline in revenue and profits until Q2 2021 when it is envisaged volumes will start to increase, highlighting that additional funding is required to enable the Company to continue to meet its obligations as they fall due. The Company has obtained a letter of support from Corporate Travel Management Limited (CTM), the Company's ultimate controlling party. However, the full financial impact of COVID-19 on the Company cannot be reliably assessed.

These conditions, along with other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company were unable to continue as a going concern. Our opinion is not modified in respect of this matter.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Report and Financial Statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Statesman Travel Services Limited
Independent auditors' report
to the members of Statesman Travel Services Limited

Opinions 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 Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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 Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

We obtained an understanding of the company's legal and regulatory framework through enquiry of management of their understanding of the relevant laws and regulations, the company's policies and procedures regarding compliance and how they identify, evaluate and rectify any instances of non-compliance. We also drew on our existing understanding of the company's industry and regulation.

We understand the company complies with requirements of the framework through:

- Updating operating procedures, manuals and internal controls as legal and regulatory requirements change;
- The Directors' close involvement in the day-to-day running of the business, meaning that any litigation or claims would come to their attention directly; and
- The engagement of external experts to ensure ongoing tax compliance.

Statesman Travel Services Limited
Independent auditors' report
to the members of Statesman Travel Services Limited

Auditor's responsibilities for the audit of the financial statements (continued)

In the context of the audit, we have considered those laws and regulations which determine the form and content of the financial statements, which are central to the company's ability to conduct business and where failure to comply could result in material penalties. We have identified the following laws and regulations as being of significance in the context of the company:

- Mandatory rules and regulations issued and enforced by the Civil Aviation Authority ("CAA"), as non compliance with these rules and regulations may reasonably result in the company ceasing operations or to call into question its continuance as a going concern; and
- The Companies Act 2006 and FRS 102 in respect of the preparation and presentation of the financial statements.

We performed the following specific procedures to gain evidence about compliance with the significant laws and regulations above:

- Discussions with senior management including consideration of known or suspected non-compliance with CAA regulations;
- Audit of the Civil Aviation Air Travel Organisers' Licensing ("ATOL") returns for the year ended 31 December 2019 submitted on 24 August 2020; and
- We inspected correspondence with the CAA within the period.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were with regard to the manipulation of the financial statements through manual journals, impairment adjustments and incorrect recognition of revenue. This was communicated to the other members of the engagement team who were not present at the discussion.

The procedures carried out to gain evidence in the above areas included:


- Testing of revenue transactions to underlying documentation;
- Testing of manual journal entries, selected based on specific risk assessments applied based on the client processes and controls surrounding manual journals; and
- Testing of managements intercompany debtor impairment assessments compared to the underlying fair value.

The senior statutory auditor was satisfied that the engagement team collectively had the appropriate competence and capabilities to identify or recognise irregularities.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.


Stephen Drew (Apr 13, 2021 18:50 GMT+1)

Stephen Drew
Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

25 Moorgate
London
EC2R 6AY

13/04/2021

Statesman Travel Services Limited
Statement of Comprehensive Income
for the 10 month period ended 31 October 2020

	Notes	10 months ended 31 October 2020 £	12 months ended 31 December 2019 £
Turnover	2	701,508	2,156,463
Other Income	3	241,243	-
Administrative expenses		(976,847)	(1,422,373)
Impairment of intercompany loans		(969,504)	-
Impairment of intangible asset		(196,041)	-
Operating (loss)/profit	4	<u>(1,199,641)</u>	<u>734,090</u>
Interest receivable	6	1,336	2,623
Interest payable	7	(113)	(23)
(Loss)/profit before taxation		<u>(1,198,418)</u>	<u>736,690</u>
Tax on ordinary activities	8	(1,906)	(148,964)
(Loss)/profit and total comprehensive income for the period		<u>(1,200,324)</u>	<u>587,726</u>

There was no other comprehensive income for the financial period (2019: £nil).

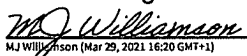
The notes on pages 11 to 20 form part of these financial statements.

Statesman Travel Services Limited
Statement of Financial Position
as at 31 October 2020

	Notes	As at 31 October 2020 £	As at 31 December 2019 £
Fixed assets			
Intangible assets	9	-	230,441
Tangible assets	10	64,668	83,264
		<u>64,668</u>	<u>313,705</u>
Current assets			
Debtors	11	4,844,534	7,096,454
Cash at bank and in hand		235,511	1,866,868
		<u>5,080,045</u>	<u>8,963,322</u>
Creditors: amounts falling due within one year	12	<u>(1,055,226)</u>	<u>(3,989,149)</u>
Net current assets		<u>4,024,819</u>	<u>4,974,173</u>
Total assets less current liabilities		<u>4,089,487</u>	<u>5,287,878</u>
Provisions for liabilities	13	(8,102)	(6,169)
Net assets		<u>4,081,385</u>	<u>5,281,709</u>
Capital and reserves			
Called up share capital	14	550,000	550,000
Profit and loss account	16	3,531,385	4,731,709
Total equity		<u>4,081,385</u>	<u>5,281,709</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime as set out within part 15 of the Companies Act 2006.

The financial statements were approved by the board on 29 March 2021 and were signed on its behalf by:


M J Williamson (Mar 29, 2021 16:20 GMT+1)

M J Williamson
Director

Registered number:
01480303
England and Wales

The notes on pages 11 to 20 form part of these financial statements.

Statesman Travel Services Limited**Statement of Changes in Equity****for the 10 month period ended 31 October 2020 and the year ended 31 December 2019**

	Share capital	Profit and loss account	Total
	£	£	£
At 1 January 2019	550,000	4,143,983	4,693,983
Profit for the financial year	-	587,726	587,726
At 31 December 2019	<u>550,000</u>	<u>4,731,709</u>	<u>5,281,709</u>
At 1 January 2020	550,000	4,731,709	5,281,709
Loss for the period	-	(1,200,324)	(1,200,324)
At 31 October 2020	<u>550,000</u>	<u>3,531,385</u>	<u>4,081,385</u>

The notes on pages 11 to 20 form part of these financial statements.

Statesman Travel Services Limited
Notes to the financial statements
for the 10 month period ended 31 October 2020

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland" as applied in the context of the small entities regime.

The legal form of the entity and the registered office can be found in note 21.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets in accordance with the company's accounting policies.

During the period the company changed its reporting period to 31st October 2020 to coincide with the purchase of the Travel and Transport group of companies on the 30th October 2020 by Corporate Travel Management, incorporated in Australia.

Going concern

The financial statements of the Company have been prepared on a going concern basis, which reflects the continuity of business activities and the realisation of assets and the settlement of liabilities in the normal course of business.

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report on page 2-3.

As at 31 October 2020, the Company had net assets of £4,081,385 and a total comprehensive loss for the period of £1,200,324.

During the period and subsequent to the period ended 31 October 2020 the occurrence of the COVID-19 virus has resulted in the demand for global travel to fall significantly combined with many countries closing their borders to foreign travellers, which has resulted in reduced trading and profitability.

The Directors have used actual COVID-19 impacted trading results to prepare revised forecasts which estimate the impact of a decline in revenue and profits until Q2 2021 when it is envisaged volumes will start to increase. These financial forecasts require the continued utilisation of existing group lending facilities and additional lending facilities from Corporate Travel Management Limited (CTM), the Company's ultimate controlling party and a letter of support has been obtained from CTM confirming financial support including advancing further amounts to the Company for a period of 18 months from 25 March 2021. The assessment of the duration of the impact of COVID-19 is highly subjective and the revised projections assume that trading volumes will start to increase from Q2 2021.

The full financial impact of COVID-19 on the Company cannot be reliably assessed at this date and a further fall or prolonged decline in revenue and profits may give rise to future impairments, additional liabilities arising or cash flow requirements beyond the facilities available to the Company.

The letter of support provided by Corporate Travel Management Limited (CTM), the Company's ultimate parent company, also confirms that it will not seek repayment of intercompany loans unless the Company has sufficient funds to do so for a period of 18 months from 25 March 2021. The Company is reliant on the continued financial support of its ultimate parent company.

Statesman Travel Services Limited
Notes to the financial statements
for the 10 month period ended 31 October 2020

1 Accounting policies (continued)

As a consequence of the above matters, the Company's directors have concluded that a material uncertainty exists that may cast significant doubt upon the Company's ability to continue as a going concern and that, therefore, the Company may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the Company financial statements.

Nevertheless, after making enquiries and considering the uncertainties described above, the Company's directors believe that there are reasonable grounds to believe that the use of the going concern basis remains appropriate as there is an expectation that:

- The Company will be able to maintain the structure of the Group's debt facilities (via its existing intercompany debt and additional intercompany debt from its ultimate parent company) such that the Company will be able to meet its working capital requirements;
- The Company will achieve its COVID-19 revised forecast revenue and profit levels; and
- The Company's operations will produce sufficient positive cash flow to enable the Company to pay its debts as and when they fall due.

These financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts, nor to the amounts and classifications of liabilities that might be necessary should the Company not continue as a going concern or should the impact of COVID-19 last for a longer period than forecast.

Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received, excluding discounts, rebates, value added tax and other sales taxes. Having considered the nature of the business the directors believe the Company to act as agents. The following criteria must also be met before revenue is recognised:

Rendering of Services

Turnover 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.

Intangible fixed assets

Intangible fixed assets are measured at cost less accumulative amortisation and any accumulative impairment losses.

Customer relationships are recognised when acquired as part of a business combination at the fair value at the date of acquisition. They are subsequently amortised over their estimated useful life of 10 years.

Statesman Travel Services Limited
Notes to the financial statements
for the 10 month period ended 31 October 2020

1 Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Leasehold land and buildings	20%
Fixtures, fittings & office equipment	15% - 25%

Financial instruments

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the company's cash management.

Financial liabilities and equity instruments issued by the company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Interest bearing bank loans, overdrafts and other loans which meet criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

Taxation

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

The current tax charge is based on the 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 Statement of Financial Position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Statement of Financial Position date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the Statement of Financial Position date.

Statesman Travel Services Limited
Notes to the financial statements
for the 10 month period ended 31 October 2020

1 Taxation (continued)

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax assets and liabilities are not recognised if the timing differences arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, when they relate to income taxes levied by the same taxation authority and the company intends to settle on a net basis.

Foreign currency translation

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction. At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to profit or loss.

Employee benefits

Contributions to defined contribution pension schemes are expensed in the period to which they relate. Differences between contributions payable in the year and those actually paid are shown as either accruals or prepayments in the Statement of Financial Position. Short term employee benefits including holiday pay, annual bonuses and redundancy pay are accrued as services rendered.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in Other income over the period in which the related costs are recognised. A grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised in Other income in the period in which it becomes receivable. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

2 Turnover

	10 months ended 31 October 2020 £	12 months ended 31 December 2019 £
Gross turnover	6,229,271	51,551,148
Cost of sales	(5,527,763)	(49,394,685)
Net turnover	<u>701,508</u>	<u>2,156,463</u>

Statesman Travel Services Limited
Notes to the financial statements
for the 10 month period ended 31 October 2020

3 Other income

In 2020, government grants of £206,243 (2019: £Nil) were received under the Coronavirus Job Retention Scheme as part of a government initiative to provide immediate financial support as a result of the Covid-19 pandemic, which reduced travel across the world by up to 96%, to reimburse the Company for 80% of the wages of certain employees who were placed on a temporary period of absence but were kept on the payroll. This reduced the losses incurred by the company and ensured that further redundancy costs were not incurred. There are no future related costs in respect of these grants which were received solely as compensation for costs incurred in the year.

Furthermore a 'Retail hospitality and leisure grant' of £35,000 (2019: nil) was received. There are no future related costs in respect of these grants which were received solely as compensation for costs incurred in the period.

4 Operating profit

	10 months ended 31 October 2020	12 months ended 31 December 2019
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	29,678	20,297
Operating lease rentals	75,981	101,096
Pension costs	11,081	17,941
Auditor's remuneration	11,551	13,680
Bad debt expense	-	37,490
Amortisation	34,400	41,280

5 Staff costs

	10 months ended 31 October 2020	12 months ended 31 December 2019
	£	£
Staff costs during the period, excluding directors was:		
Wages and salaries	551,583	759,689
Social security	43,868	66,562
Other pension costs	11,081	17,941
	606,532	844,192

During the period no director received any emoluments (2019: nil).

Average number of employees during the period, excluding directors was:	Number	Number
Operations	32	32

Statesman Travel Services Limited
Notes to the financial statements
for the 10 month period ended 31 October 2020

6 Interest receivable

	10 months ended 31 October 2020 £	12 months ended 31 December 2019 £
Interest receivable	1,336	2,623
	<u>1,336</u>	<u>2,623</u>

7 Interest payable

	10 months ended 31 October 2020 £	12 months ended 31 December 2019 £
Interest payable	113	23
	<u>113</u>	<u>23</u>

8 Taxation

	10 month period ended 31 October 2020 £	12 month period ended 31 December 2019 £
Current tax		
In respect of the current period	-	148,446
Deferred tax		
In respect of the current period	1,906	518
	<u>1,906</u>	<u>148,964</u>

The differences between the total tax expense shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	10 month period ended 31 October 2020 £	12 month period ended 31 December 2019 £
Profit before taxation	<u>(1,198,418)</u>	<u>736,690</u>
Tax on profit on ordinary activities at standard UK corporation tax rate of 19% (2019: 19%)	(227,699)	139,971
Effects of:		
Expenses not deductible for tax purposes	229,828	9,493
Group relief received and not paid for	(2,129)	(1,018)
Deferred tax	1,906	518
Current tax charge for period	<u>1,906</u>	<u>148,964</u>

Statesman Travel Services Limited
Notes to the financial statements
for the 10 month period ended 31 October 2020

9 Intangible fixed assets

	Customer relationships £	Total £
Cost		
At 1 January 2020	412,751	412,751
Impairment	(412,751)	(412,751)
At 31 October 2020	-	-
Amortisation		
At 1 January 2020	182,310	182,310
Provided during the period	34,400	34,400
On impairment	(216,710)	(216,710)
At 31 October 2020	-	-
Net book value		
At 31 October 2020	-	-
At 31 December 2019	230,441	230,441

The intangible assets represent the acquisition of the Greaves customer relationships. This has been impaired for the remaining value due to the impacts of Covid-19.

10 Tangible fixed assets

	Leasehold, land and buildings £	Fixtures, fittings & office equipment £	Total £
Cost			
At 1 January 2020	165,381	274,141	439,522
Additions	-	11,082	11,082
At 31 October 2020	165,381	285,223	450,604
Depreciation			
At 1 January 2020	112,307	243,951	356,258
Charge for the period	12,377	17,301	29,678
At 31 October 2020	124,684	261,252	385,936
Net book value			
At 31 October 2020	40,697	23,971	64,668
At 31 December 2019	53,074	30,190	83,264

Statesman Travel Services Limited
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11 Debtors

	As at 31 October 2020 £	As at 31 December 2019 £
Trade debtors	122,858	1,890,272
Amounts owed by group undertakings	4,599,931	4,711,902
Other debtors	121,745	494,280
	<u>4,844,534</u>	<u>7,096,454</u>

Included with amounts owed by group undertakings are intercompany loans of £4,599,931 (2019: £4,711,902). This is made up of £2,597,687 (2019: £3,567,191) receivable from Statesman Travel Group Limited and £2,002,244 (2019: £1,144,711) receivable from Statesman Travel Limited. The loans are interest free, unsecured and repayable on demand.

12 Creditors: amounts falling due within one year

	As at 31 October 2020 £	As at 31 December 2019 £
Trade creditors	932,022	3,732,031
Corporation tax	475	62,279
Other creditors	122,729	194,839
	<u>1,055,226</u>	<u>3,989,149</u>

13 Provisions for liabilities

	As at 31 October 2020 £	As at 31 December 2019 £
Deferred taxation:		
Accelerated capital allowances	<u>8,102</u>	<u>6,169</u>

	As at 31 October 2020 £	As at 31 December 2019 £
At 1 January 2020	6,169	5,678
Deferred tax (credit)/expense in profit and loss account	1,933	491
At 31 October 2020	<u>8,102</u>	<u>6,169</u>

Statesman Travel Services Limited
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14 Called up share capital	Nominal value	Number	As at 31 October 2020 £	As at 31 December 2019 £
Alloted, called up and fully paid:				
Ordinary shares	£1 each	550,000	550,000	550,000
			<u>550,000</u>	<u>550,000</u>

15 Analysis of changes in net debt	As at 1 January 2020 £	Cash flow	As at 31 October 2020 £
Cash at bank and in hand	1,866,868	(1,631,357)	235,511
	<u>1,866,868</u>	<u>(1,631,357)</u>	<u>235,511</u>

16 Reserves

A description of each reserve is set out below.

Share capital

The share capital account is used to record the amount or value of ordinary shares in the Company.

Profit and loss account

This reserve relates to the cumulative retained earnings less amounts distributed to shareholders.

17 Other financial commitments

Lease agreements in respect of properties for an average of five years with fixed rentals over the lease.

	As at 31 October 2020 £	As at 31 December 2019 £
Falling due:		
within one year	10,891	10,701
within two to five years	8,470	17,978
	<u>19,361</u>	<u>28,679</u>

18 Contingent liabilities

The Company has given its unlimited guarantee of amounts due from time to time to the Company's bankers Wells Fargo, secured by a fixed and floating charge on the Company's assets in respect of which no amount was outstanding at 31 October 2020 (2019: nil).

This charge was fully satisfied on 11th January 2021, following repayment on the loans in the period.

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19 Related party transactions

The Company has taken advantage of the exemption provided by paragraph 33.1A of FRS 102 not to disclose group related party transactions as it is wholly owned by the immediate parent company Statesman Travel Limited. Travel and Transport Inc., is the ultimate controlling party.

20 Ultimate controlling party

Statesman Travel Limited is the immediate parent company and is wholly owned by Corporate Travel Management Limited, incorporated in Australia, which is the ultimate parent company. Travel and Transport UK Limited, the immediate parent of Statesman Travel Limited is incorporated in the United Kingdom. Copies of the group financial statements of Travel and Transport UK Limited are available from Companies House.

21 General information

Statesman Travel Services Limited is a private company, limited by shares and incorporated in England and Wales. The address of the registered office is:
Senator House
85 Queen Victoria Street
London
EC4V 4AB