

**ST&H TRANSPORT LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**31 JANUARY 2018**



## **ST&H TRANSPORT LIMITED**

### **Company information**

Directors: J S Hill  
A C Donald  
J Linfoot (resigned 31 December 2017)  
P R Shaw (appointed 22 January 2018)

Secretary: V Haynes

Registered Office: Enbrook Park, Folkestone, Kent CT20 3SE

Company Registration no: 1707442

Auditor: KPMG LLP, 15 Canada Square, London E14 5GL

## **ST&H TRANSPORT LIMITED**

### **Strategic report**

The Directors submit the Annual Report and the audited Financial Statements of ST&H Transport Limited ("the Company") for the year ended 31 January 2018.

#### **Review of Business Developments and Principal Activity**

The principal activity of the Company is to act as a Tour Operators' Margin Scheme ("TOMS") vehicle company to provide aviation transport to its immediate parent undertaking, ST&H Limited, a company involved in the sale of holidays and related services.

The profit before tax for the year amounted to £33,052,000 (2017 - £31,705,000). After taxation a profit of £26,716,000 (2017 - £25,366,000) has been transferred to reserves. A dividend of £26,500,000 (2017 - £25,350,000) has been paid to ST&H Limited.

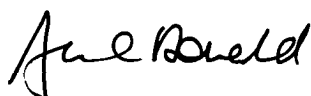
The Company acts as a TOMS vehicle company for ST&H Limited. TOMS is a special scheme for businesses that buy-in and re-sell travel, accommodation and certain other services as a principal or agent. Companies operating under TOMS only account for VAT on the margin made on margin scheme supplies i.e. the difference between amounts received from the customer and the amounts paid to suppliers.

As the performance is linked to ST&H Limited, Key Performance Indicators relating to the Company's trading which are appropriate for an understanding of the development, performance or position of the business can be found in its parent's financial statements.

#### **Future Developments**

The Directors consider the result for the year to be satisfactory in view of the current market conditions and anticipate that in the coming year the Company will continue to offer attractive and value for money holiday products.

By order of the Board



A C Donald  
Director  
16 May 2018

## **ST&H TRANSPORT LIMITED**

### **Directors' report**

The Directors present their report of the Company for the year ended 31 January 2018.

#### **Statement of Directors' responsibilities**

The Directors are responsible for preparing the Directors' Report, Strategic Report and Financial Statements in accordance with applicable laws and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under the law the Directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards and applicable law (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

It is the Group's policy to maintain indemnity insurance for Directors and officers.

**ST&H TRANSPORT LIMITED**  
**Director's report (continued)**

**Disclosure of information to the auditors**

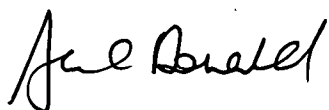
Each current Director has made enquiries of their fellow directors and the Company's auditor and taken all the steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Relevant audit information is that information needed by the auditor in connection with preparing its report. So far as the director approving this report is aware, and based on the above steps, there is no relevant audit information of which the auditor is unaware.

**Auditors**

At the Saga plc Annual General Meeting ("AGM") last year KPMG LLP were appointed as the Group's statutory auditors. The Company Board of Directors ratified the decision of the Saga plc Board. Pursuant to section 487(2) of the Companies Act 2006, the Auditor KPMG LLP is deemed re-appointed.

By order of the Board

A handwritten signature in black ink, appearing to read 'A C Donald', written in a cursive style.

A C Donald  
Director  
16 May 2018

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST&H TRANSPORT LIMITED**

### **Opinion**

We have audited the financial statements of ST&H Transport Limited ("the Company") for the year ended 31 January 2018 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 January 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

### **Strategic report and Directors' report**

The Directors are responsible for the Strategic report and the Directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the Strategic report and the Directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Strategic report and the Directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST&H TRANSPORT LIMITED (continued)**

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 3, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

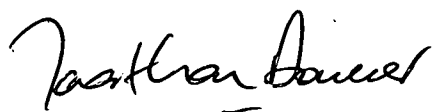
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST&H TRANSPORT LIMITED**  
**(continued)**

**The purpose of our audit work and to whom we owe our responsibilities**

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.



Jonathan Downer (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants

15 Canada Square  
Canary Wharf  
London  
E14 5GL

23 May 2018



**ST&H TRANSPORT LIMITED****Income statement for the year ended 31 January 2018**

	Notes	2018 £'000	2017 £'000
<b>Turnover</b>	3	112,970	106,919
Cost of sales		<u>(79,918)</u>	<u>(75,214)</u>
<b>Profit on ordinary activities before taxation</b>	4	33,052	31,705
Taxation	7	<u>(6,336)</u>	<u>(6,339)</u>
<b>Profit for the financial year</b>		<u>26,716</u>	<u>25,366</u>

There are no other items of comprehensive income other than those included above in the income statement; accordingly the profit for the financial year is also total comprehensive profit for the year.

Notes 1 to 13 form an integral part of these financial statements.

**ST&H TRANSPORT LIMITED****Balance sheet as at 31 January 2018**

	Notes	2018 £'000	2017 £'000
<b>Current assets</b>			
Debtors	9	359	143
<b>Net current assets</b>		<u>359</u>	<u>143</u>
<b>Net assets</b>		<u>359</u>	<u>143</u>
<b>Capital and reserves</b>			
Called-up share capital	10	100	100
Retained earnings		<u>259</u>	<u>43</u>
<b>Shareholders' funds</b>		<u>359</u>	<u>143</u>

Signed for and on behalf of the Board by



A C Donald  
Director  
16 May 2018

Notes 1 to 13 form an integral part of these financial statements.

**ST&H TRANSPORT LIMITED****Statement of changes in equity for the year ended 31 January 2018**

	Called-up Share Capital £'000	Retained Earnings £'000	Total Equity £'000
<b>At 1 February 2016</b>	100	27	127
Profit for the financial year	-	25,366	25,366
Dividends paid	-	(25,350)	(25,350)
<b>At 31 January 2017</b>	100	43	143
Profit for the financial year	-	26,716	26,716
Dividends paid	-	(26,500)	(26,500)
<b>At 31 January 2018</b>	100	259	359

Notes 1 to 13 form an integral part of these financial statements.

**ST&H TRANSPORT LIMITED**  
**Notes to the financial statements**

**1 General information**

ST&H Transport Limited (the "Company") is a company incorporated and domiciled in the UK.

**2 Significant Accounting policies**

**a) Basis of preparation**

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and in accordance with applicable accounting standards. The financial statements are prepared under the historical cost convention, as modified by derivative financial assets and financial liabilities measured at fair value through profit or loss, and in accordance with the Companies Act 2006.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£'000) except when otherwise indicated.

The consolidated financial statements of Saga plc, within which this Company is included, can be obtained from the address given in note 12.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 January 2018.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- a) the requirements of IFRS 7 "Financial Instruments: Disclosures".
- b) the requirements of paragraphs 91 to 99 of IFRS 13 "Fair Value Measurement".
- c) the requirement in paragraph 38 of IAS 1 "Presentation of Financial Statements" to present comparative information in respect of paragraph 79(a)(iv) of IAS1.
- d) the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B-D, 39(c), 40A-D, 111 and 134-136 of IAS 1 "Presentation of Financial Statements".
- e) the requirements of IAS 7 "Statement of Cash Flows".
- f) the requirements of paragraphs 30 and 31 of IAS 8 "Accounting policies, Changes in Accounting Estimates and Errors".
- g) the requirements of paragraph 17 of IAS 24 "Related Party Disclosures".
- h) the requirements in IAS 24 "Related Party Disclosures" to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

## **ST&H TRANSPORT LIMITED**

### **Notes to the financial statements (continued)**

#### **2 Significant Accounting policies (continued)**

##### **b) Judgements and key sources of estimation uncertainty**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as the balance sheet date and the amounts reported for revenues and expenses during the year, that are not readily apparent from other sources. However, the nature of estimation means that actual outcomes may differ from those estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no estimates, assumptions and judgements at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

##### **c) Financial instruments - Financial assets**

###### **Initial recognition and measurement**

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets. The Company determines the classification of its financial assets at initial recognition and are accounted on a trade date basis. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. The Company has loans and receivables financial assets.

###### **Subsequent measurement**

The subsequent measurement of financial assets depends on their classification.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment losses. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the income statement. The losses arising from impairment are recognised in the income statement in Interest payable and similar costs.

###### **Derecognition**

A financial asset is derecognised when the rights to receive cash flows from the asset have expired or when the Company has transferred substantially all the risks and rewards relating to the asset, to a third party.

**2 Significant Accounting policies (continued)**

**d) Financial instruments - Financial assets (continued)**

**Impairment of financial assets**

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that debtors are experiencing significant financial difficulty, or where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or other factors that correlate with defaults.

*Loans and receivables*

If there is objective evidence that an impairment loss on a financial asset or group of financial assets classified as loans and receivables has been incurred, the Company measures the amount of the loss as the difference between the carrying amount of the asset or group of assets and the present value of estimated future cash flows from the asset or group of assets, discounted at the effective interest rate of the instrument at initial recognition.

Impairment losses are assessed individually where significant, or collectively for assets that are not individually significant.

Impairment losses are recognised in the income statement and the carrying amount of the financial asset or group of financial assets is reduced by establishing an allowance for the impairment losses. If in a subsequent period the amount of the impairment loss reduces and the reduction can be ascribed to an event after the impairment was recognised, the previously recognised loss is reversed by adjusting the allowance.

**e) Current income tax**

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

**f) Turnover and cost of sales**

Turnover represents the revenue arising from tour operations and other activities using the Tours Operators' Margin Scheme ("TOMS"). The revenue from tour operations is recognised upon departure. Revenue from other activities is recognised as it is earned.

Cost of sales represents the actual transport costs incurred in running the tour operations (i.e. costs paid to the suppliers). The difference between turnover and cost of sales therefore represents the amount on which VAT is calculated on margin scheme supplies.

**ST&H TRANSPORT LIMITED****Notes to the financial statements (continued)****3 Turnover**

Turnover represents the sales value of aviation transport supplies made during the accounting period i.e. the eligible cost of sales from the tour operator, ST&H Limited, plus a margin under the rules of Tours Operators Margin Scheme. All business is carried out in the UK.

**4 Profit on ordinary activities before taxation**

Profit on ordinary activities before taxation is stated after charging:-	2018 £'000	2017 £'000
Auditor's remuneration - audit of financial statements	<u>11</u>	<u>10</u>

Fees paid to the Company's auditor, KPMG LLP, for services other than the statutory audit of the Company are not disclosed in these financial statements since the consolidated financial statements of the ultimate parent undertaking, Saga plc, are required to disclose non-audit fees on a consolidated basis.

**5 Staff costs**

The Company does not employ any staff.

**6 Directors' remuneration**

The remuneration of the directors of the Company during the year was £Nil (2017: £Nil).

**7 Taxation**

	2018 £'000	2017 £'000
UK corporation tax at 19.17% (2017 – 20.00%)	6,336	6,341
Adjustments in respect of prior periods	<u>-</u>	<u>(2)</u>
Total current income tax	<u>6,336</u>	<u>6,339</u>
Reconciliation of Total Tax Charge:-	2018 £'000	2017 £'000
Pre-tax profits at 19.17% (2017 – 20.00%)	6,336	6,341
Adjustments in respect of prior periods	<u>-</u>	<u>(2)</u>
Total tax expense in the income statement	<u>6,336</u>	<u>6,339</u>

The tax charge for the current year and prior year is entirely made up of payments to other group companies for group relief.

There are no circumstances foreseen that are expected to materially impact future tax charges.

**ST&H TRANSPORT LIMITED****Notes to the financial statements (continued)****8 Dividends**

A dividend of £265.00 per share (2017 - £253.50) has been paid at a cost of £26,500,000 (2017 - £25,350,000).

**9 Debtors**

	2018	2017
	£'000	£'000
Amount due from group undertakings	<u>359</u>	<u>143</u>

All amounts above are due in less than one year.

**10 Called up share capital**

	2018	2017
	£'000	£'000
<b>Allotted, called up and fully paid</b>		
100,000 ordinary shares of £1 each	<u>100</u>	<u>100</u>

**11 Related party transactions**

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries in the Saga group of companies.

**12 Ultimate parent undertaking**

The financial statements of the Company have been consolidated in the group financial statements of ST&H Limited (the immediate parent undertaking) and Saga plc (the ultimate parent undertaking), both of which are registered in England and Wales.

A copy of the financial statements of Saga plc for the year ended 31 January 2018 may be obtained from the corporate website [www.corporate.saga.co.uk](http://www.corporate.saga.co.uk) or from the Company Secretary, Saga plc, Enbrook Park, Folkestone, Kent, CT20 3SE.

ST&H Limited is the parent company of the smallest group of which the Company is a member and for which group financial statements are prepared.

The Company is wholly owned by ST&H Limited.

**13 Ultimate controlling party**

The Directors consider the ultimate controlling party to be Saga plc.