

STG Travel Group Limited

Annual report and financial statements

for the year ended 31 October 2015

Registered number: 03442977



# **STG Travel Group Limited**

## **Annual report and financial statements for the year ended 31 October 2015**

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# **STG Travel Group Limited**

## **Directors and advisers**

### **Directors**

J Bentley  
N Goodwin

### **Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
3 St James Court  
Whitefriars  
Norwich  
NR3 1RJ

### **Bankers**

National Westminster Bank plc  
208 Piccadilly  
London  
W1A 2DG

### **Solicitors**

DLA Piper  
3 Noble Street  
London  
EC2V 7EE

### **Registered office**

1 Jubilee Street  
Brighton  
East Sussex  
BN1 1GE

# STG Travel Group Limited

## Strategic report for the year ended 31 October 2015

The directors present their strategic report for STG Travel Group Ltd. for the year ended 31 October 2015.

### Business review

The company acts as a holding company to its subsidiary undertakings, who are principally engaged as educational tour operators. The performance of the company during the year and the year end financial position are considered satisfactory by the directors. The directors do not anticipate any material changes in the company's activities in the ensuing year.

### Principal risks and uncertainties and key performance indicators

The directors of Inspiring Learning Services Limited manage the group's operations on a group wide basis. For this reason, the company's directors believe that disclosure of the principal risks and uncertainties of the company and analysis using key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business of STG Travel Group Ltd.. The development, performance and position of Inspiring Learning Services Limited group, which includes this company, is discussed in the annual report of Inspiring Learning Services Limited which does not form part of this report.

On behalf of the board



Nicholas Goodwin  
Director

11 March 2016

# **STG Travel Group Limited**

## **Directors' report for the year ended 31 October 2015**

The directors present their report and the audited financial statements for the year ended 31 October 2015.

### **Results and dividends**

The loss for the financial year amounted to £395,000 (2014: £375,000). The directors have not recommended the payment of a dividend (2014: £nil).

### **Going concern**

The directors have received confirmation from Inspiring Learning Services Limited, an intermediate parent undertaking, that it will provide financial support to STG Travel Group Limited, in order for it to meet its commitments as they fall due for a period of at least 12 months from the date of approval of these financial statements.

The directors have prepared the financial statements for the company on the going concern basis. The directors have considered the group's detailed budget prepared by the intermediate parent undertaking, Inspiring Learning Services Limited, up to 31 March 2017 and the current trading performance for the first four months of the financial year ending 31 October 2016. The directors have performed analyses to assess the impact on the projections of reductions in revenues and increased costs, incorporating where necessary the deferral of discretionary spend such as capital expenditure. On this basis the directors believe that the group will be able to operate within the terms of its loan agreements.

Having taken into account the operating risks and uncertainties, reviewed the trading and cash flow forecasts and reflected on the facilities available, the directors believe that it is appropriate to prepare the financial statements on a going concern basis.

### **Financial risk management**

The company's operations expose it to a variety of financial risks that includes liquidity risk. Given the size of the company the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department.

#### *Liquidity risk*

The company has access to funding from other group companies such as to ensure it is able to settle its debts as they fall due.

### **Directors**

The directors, who held office during the year and up to the date of signing the financial statements, were as follows:

J Bentley  
N Goodwin

### **Directors' and officers' indemnity insurance**

The company maintains liability insurance for its directors and officers, with a cover limit for each claim or series of claims against them in that capacity. The directors have also been granted a qualifying third party provision under section 234 of the Companies Act 2006. Neither the company's indemnity nor insurance provides cover in the event that a director is proved to have acted fraudulently or dishonestly.

# STG Travel Group Limited

## Directors' report for the year ended 31 October 2015 (continued)

### Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, 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 prepared 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 judgements and accounting 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;
- 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.

### Statement of disclosure of information to auditors

So far as each of the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and each has taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### Independent auditors

PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the next annual general meeting.

On behalf of the board



Nicholas Goodwin  
Director

11/2 March 2016

# **STG Travel Group Limited**

## **Independent auditors' report to the members of STG Travel Group Limited**

### **Report on the financial statements**

#### **Our opinion**

In our opinion, STG Travel Group Ltd's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 October 2015 and of its loss 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.

#### **What we have audited**

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the balance sheet as at 31 October 2015;
- the profit and loss account and statement of total recognised gains and losses for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

#### **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.

### **Other matters on which we are required to report by exception**

#### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

#### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

# **STG Travel Group Limited**

## **Independent auditors' report to the members of STG Travel Group Limited (continued)**

### **Responsibilities for the financial statements and the audit**

#### **Our responsibilities and those of the directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### **What an audit of financial statements involves**

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual 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.



Christopher Maw (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Norwich  
11 March 2016



# STG Travel Group Limited

## Profit and loss account for the year ended 31 October 2015

		Year ended 31 October 2015	Year ended 31 October 2014
	Note	£'000	£'000
Administrative expenses		(395)	(375)
<b>Loss on ordinary activities before taxation</b>	3	(395)	(375)
Tax on loss on ordinary activities	4	-	-
<b>Loss for the financial year</b>	11	(395)	(375)

The results for the current year and prior year relate entirely to continuing operations.

The company has no recognised gains or losses other than the results for the year as set out above.

## Balance sheet as at 31 October 2015

		31 October 2015	31 October 2014
	Note	£'000	£'000
<b>Fixed assets</b>			
Tangible assets	5	8	29
Investments	6	-	6,119
		8	6,148
<b>Current assets</b>			
Debtors	7	25,739	19,577
Cash at bank and in hand		2	24
		25,741	19,601
<b>Creditors: amounts falling due within one year</b>	8	(22,805)	(22,410)
<b>Net current liabilities</b>		2,936	(2,809)
<b>Total assets less current liabilities and net assets</b>		2,944	3,339
<b>Capital and reserves</b>			
Called up share capital	10	7,973	7,973
Profit and loss account	11	(5,029)	(4,634)
<b>Total shareholders' (deficit)/funds</b>	12	2,944	3,339

The financial statements on pages 8 to 14 were approved by the board of directors on 17 March 2016 and were signed on its behalf by:

  
**Nicholas Goodwin**  
 Director

Registered number: 03442977

# **STG Travel Group Limited**

## **Notes to the financial statements for the year ended 31 October 2015**

### **1. Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared on a going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). These policies have been applied consistently unless otherwise stated.

#### **Going concern**

The directors have received confirmation from Inspiring Learning Services Limited, an intermediate parent undertaking, that it will provide financial support to STG Travel Group Ltd., in order for it to meet its commitments as they fall due for a period of at least 12 months from the date of approval of these financial statements.

The directors have prepared the financial statements for the company on the going concern basis. The directors have considered the group's detailed budget prepared by the intermediate parent undertaking, Inspiring Learning Services Limited, up to 31 March 2017 and the current trading performance for the first four months of the financial year ending 31 October 2016. The directors have performed analyses to assess the impact on the projections of reductions in revenues and increased costs, incorporating where necessary the deferral of discretionary spend such as capital expenditure. On this basis the directors believe that the group will be able to operate within the terms of its loan agreements.

Having taken into account the operating risks and uncertainties, reviewed the trading and cash flow forecasts and reflected on the facilities available, the directors believe that it is appropriate to prepare the financial statements on a going concern basis.

#### **Consolidated financial statements**

The company is exempt from preparing consolidated financial statements under section 400 of the Companies Act 2006 on the grounds that its results and those of its subsidiaries are included in the financial statements of its intermediate parent undertaking Inspiring Learning Services Limited, a company incorporated in England and Wales. These financial statements therefore present information about the company as an individual undertaking and not about its group.

#### **Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard ("FRS") 1 (Revised 1996), "Cash Flow Statements", from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and this company is included in the consolidated financial statements of a parent undertaking which publishes a consolidated cash flow statement.

#### **Related party transactions**

The company has taken advantage of the exemption in FRS 8, "Related Party Disclosures", from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the intermediate parent undertaking.

#### **Fixed assets**

Tangible assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

# STG Travel Group Limited

## Notes to the financial statements for the year ended 31 October 2015 (continued)

### Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures, fittings and equipment - 3 - 10 years straight line

### Investments

Investments in subsidiary undertakings are included at cost less any impairment.

### Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the profit and loss account for the amount by which the asset's carrying amount exceeds its recoverable amount. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate based upon the company's weighted average cost of capital that reflects current market assessments of the time value of money and the risks specific to the cost generating unit.

An impairment loss is reversed if there has been a change in external economic conditions. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

## 2. Directors' remuneration

The directors received no remuneration for their services to the company (2014: £nil).

## 3. Loss on ordinary activities before taxation

	2015	2014
	£'000	£'000
<b>Loss on ordinary activities before taxation is stated after charging:</b>		
Depreciation of tangible assets	(21)	(20)
Operating lease costs - land and buildings	(190)	(190)

Auditors' remuneration of £500 (2014: £500) was borne by Equity Inspiring Learning Limited and not recharged.

# STG Travel Group Limited

## Notes to the financial statements for the year ended 31 October 2015 (continued)

### 4. Tax on loss on ordinary activities

#### (a) Analysis of tax charge in the year

	2015	2014
	£'000	£'000
<b>Current tax</b>		
Tax on loss on ordinary activities	-	-

#### (b) Factors affecting the tax charge in the year

The current tax assessed for the year differs from the standard rate of corporation tax in the UK of 20.42% (2014: 21.83%). The differences are explained below:

	2015	2014
	£'000	£'000
<b>Loss on ordinary activities before taxation</b>	<b>(395)</b>	<b>(375)</b>
Loss on ordinary activities multiplied by rate of tax at 20.42% (2014: 21.83%)	(81)	(82)
Effects of:		
Permanent differences	4	-
Group relief not paid for	77	82
Current tax charge for the year	-	-

#### Factors affecting current and future tax changes

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2015 on 26 October 2015. These include reductions to the main rate to reduce the rate to 19% from 1 April 2017, and to 18% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted rates and reflected in these financial statements.

### 5. Tangible assets

	Fixtures, fittings & equipment £'000
<b>Cost</b>	
At 1 November 2014 and 31 October 2015	183
<b>Accumulated depreciation</b>	
At 1 November 2014	154
Charge for year	21
At 31 October 2015	175
<b>Net book amount</b>	
At 31 October 2015	8
At 31 October 2014	29

# STG Travel Group Limited

## Notes to the financial statements for the year ended 31 October 2015 (continued)

### 6. Investments

	£'000
Cost as at 1 November 2014	6,119
Disposal	(6,119)
Cost as at 31 October 2015	-

On 1<sup>st</sup> November 2014 the share capital of the below entities was transferred to Inspiring Learning Limited, a fellow group undertaking for consideration equal to the net book value of the investment held at that date.

Company	Principal activity
Skiplan Travel Limited	Educational tour operator
STS School Travel Service Limited	Educational tour operator
Equity Inspiring Learning Limited	Educational tour operator

### 7. Debtors

	31 October 2015 £'000	31 October 2014 £'000
Amounts owed by group undertakings	25,697	19,482
Other taxation and social security	-	44
Prepayments and accrued income	42	51
	25,739	19,577

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

### 8. Creditors: amounts falling due within one year

	31 October 2015 £'000	31 October 2014 £'000
Trade creditors	7	-
Amounts owed to group undertakings	22,781	22,397
Accruals and deferred income	17	13
	22,805	22,410

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

# STG Travel Group Limited

## Notes to the financial statements for the year ended 31 October 2015 (continued)

### 9. Leasing commitments

The company had annual commitments under non-cancellable operating leases for land and buildings expiring as follows:

	31 October 2015 £'000	31 October 2014 £'000
Between two and five years	190	190

### 10. Called up share capital

	31 October 2015 £'000	31 October 2014 £'000
<b>Authorised</b>		
250,000 (2014: 250,000) Ordinary shares of £1 each (2014: £1)	250	250
7,217,333 (2014: 7,217,333) Ordinary A shares of £1 each (2014: £1)	7,217	7,217
1,000,000 (2014: 1,000,000) Ordinary B shares of £1 each (2014: £1)	1,000	1,000
	<b>8,467</b>	<b>8,467</b>
<b>Allotted and fully paid:</b>		
250,000 (2014: 250,000) Ordinary shares of £1 each (2014: £1)	250	250
7,217,333 (2014: 7,217,333) Ordinary A shares of £1 each (2014: £1)	7,217	7,217
505,230 (2014: 505,230) Ordinary B shares of £1 each (2014: £1)	506	506
	<b>7,973</b>	<b>7,973</b>

The different classes of shares rank pari passu in all material respects.

### 11. Profit and loss account

	£'000
At 1 November 2014	(4,634)
Loss for the financial year	(395)
<b>At 31 October 2015</b>	<b>(5,029)</b>

## STG Travel Group Limited

### Notes to the financial statements for the year ended 31 October 2015 (continued)

#### 12. Reconciliation of movements in total shareholders' funds

	31 October 2015 £'000	31 October 2014 £'000
Loss for the year	(395)	(428)
Opening total shareholders' funds	3,339	3,767
Closing total shareholders' (deficit)/funds	(2,944)	3,339

#### 13. Contingent liabilities

The company is a guarantor, alongside other group subsidiaries, of the Inspiring Learning Services Limited group bank facilities. The liabilities concerned amounted to £40,879,000 at 31 October 2015 (2014: £41,936,000).

There were no other material contingent liabilities at 31 October 2015 or 31 October 2014.

#### 14. Ultimate controlling party

The immediate parent undertaking of the entity is The School Travel Group Limited, a company incorporated in England.

The largest and smallest group of undertakings for which consolidated financial statements are prepared to include the results of this company are headed by Inspiring Learning Group Limited and Inspiring Learning Limited both of which are registered in England.

A copy of Inspiring Learning Group Limited and Inspiring Learning Limited consolidated financial statements can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

Inspiring Learning Group Limited, incorporated in England is the ultimate parent undertaking of the entity.

The directors consider that the company is controlled by funds managed and controlled by aPriori Capital Partners IV LLC.