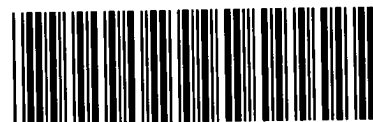


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ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 JULY 2019
FOR
STG TRAVEL GROUP LTD

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STG TRAVEL GROUP LTD

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FOR THE 9 MONTH PERIOD ENDED 31 JULY 2019**

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STG TRAVEL GROUP LTD
COMPANY INFORMATION
FOR THE 9 MONTH PERIOD ENDED 31 JULY 2019

DIRECTOR: N Goodwin

REGISTERED OFFICE: Fifth Floor, West Wing
Crown House
21 Upper North Street
Brighton
East Sussex
BN1 1GE

REGISTERED NUMBER: 03442977 (England and Wales)

BANKERS: National Westminster Bank plc
208 Piccadilly
London
W1A 2DG

STG TRAVEL GROUP LTD

STRATEGIC REPORT FOR THE 9 MONTH PERIOD ENDED 31 JULY 2019

The director presents his Strategic Report for the 9 month period ended 31 July 2019.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS


On 1 March 2019, ownership of STG Travel Group Limited was transferred from The School Travel Group Limited to Equity Topco Limited, now Morel Investment Management Limited, the ultimate controlling undertaking incorporated in England (see note 12).

The company does not trade but has an outstanding loan due to a related party. The director does not anticipate any material changes in the company's activities in the ensuing year.

PRINCIPAL RISKS AND UNCERTAINTIES AND KEY PERFORMANCE INDICATORS

The director of Morel Investment Management Limited manage the group's operations on a group wide basis. For this reason, the company's director believes 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 Morel Investment Management group, which includes this company, is discussed in the group's annual report of Morel Investment Management Limited which does not form part of this report.

ON BEHALF OF THE BOARD:


.....
N Goodwin - Director

Date: 26 FEBRUARY 2020

STG TRAVEL GROUP LTD

DIRECTOR'S REPORT FOR THE 9 MONTH PERIOD ENDED 31 JULY 2019

The director presents his report for the 9 month period ended 31 July 2019.

PARENT GUARANTEE

A guarantee has been given by the company's parent undertaking, Morel Investment Management Limited, under s479c for audit exemption.

CHANGE IN ACCOUNTING PERIOD END DATE

It is the director's intention to move the accounting period end date to April to align with the end of the winter ski season which forms most of the Group's business. Due to the dynamic nature of the business, and to more quickly report the improvement in our trading results, this will be achieved through running two consecutive 9 month accounting periods. The first runs from 1st November 2018 to the 31 July 2019. The subsequent accounting period will then run from 1st August 2019 to 30th April 2020. The period referred to as the 9 month period in these financial statements is the period from 1 November 2018 to 31 July 2019.

RESULTS AND DIVIDENDS

The loss for the 9 month period amounted to £143,000 (2018: loss of £183,000). The director has not recommended the payment of a dividend (2018: nil).

GOING CONCERN

The director has received confirmation from Morel Investment Management Limited, the 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. On this basis the director believes it is appropriate to prepare the financial statements on a going concern basis.

DIRECTORS

The director who held office throughout the period and up to the date of signing the financial statements, was as follows:

N Goodwin

DIRECTOR'S AND OFFICERS' INDEMNITY INSURANCE

The company maintains liability insurance for its director and officers, with a cover limit for each claim or series of claims against them in that capacity. Neither the company's indemnity nor insurance provides cover in the event that a director is proven to have acted fraudulently or dishonestly.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

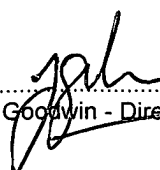
Company law requires the director to prepare financial statements for each financial year. Under that law the director has prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the director must not approve the financial statements unless he is 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 the financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting 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 director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enables him to ensure that the financial statements comply with the Companies Act 2006.

The director is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ON BEHALF OF THE BOARD:


N Goodwin - Director

26 FEBRUARY 2020
Date

STG TRAVEL GROUP LTD

STATEMENT OF COMPREHENSIVE INCOME
FOR THE 9 MONTH PERIOD ENDED 31 JULY 2019

		9 MONTHS ENDED	YEAR ENDED
	Note	31 JULY 2019	31 OCTOBER 18
		£'000	£'000
Administrative expenses		-	-
OPERATING LOSS		-	-
Interest payable and similar expenses	6	(142)	(183)
LOSS BEFORE TAXATION		(142)	(183)
Tax on loss	7	-	-
LOSS FOR THE PERIOD AND TOTAL COMPREHENSIVE LOSS		(142)	(183)

STG TRAVEL GROUP LTD

**BALANCE SHEET
AS AT 31 JULY 2019**

		As at:	
	Note	31 JULY 2019 £'000	31 OCTOBER 2018 £'000
CREDITORS:			
Amounts falling due within one year	8	(332)	(332)
NET CURRENT LIABILITIES		(332)	(332)
TOTAL ASSETS LESS CURRENT LIABILITIES		(332)	(332)
Creditors: amounts falling due after more than one year	9	(4,495)	(4,353)
NET LIABILITIES		(4,827)	(4,685)
 CAPITAL AND RESERVES			
Called up share capital	10	-	-
Capital Redemption Reserve		7,973	7,973
Retained earnings		(12,800)	(12,658)
TOTAL EQUITY		(4,827)	(4,685)

For the 9 month period ending 31 July 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

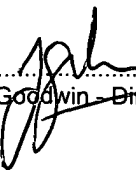
The members have not required the company to obtain an audit of its accounts for the period in question in accordance with section 476 of the Companies Act 2006.

The director acknowledges his responsibility for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The notes on pages 7 to 11 are an integral part of these financial statements.

The financial statements on pages 4 to 11 were approved by the Board of Directors on 26 FEBRUARY 2020 and were signed on its behalf by:


.....
N Goodwin - Director

STG TRAVEL GROUP LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE 9 MONTH PERIOD ENDED 31 JULY 2019

	Capital redemption reserve (restated)	Retained earnings	Total equity
	£'000	£'000	£'000
Balance as at 1 November 2017 (restated)	7,973	(12,475)	(4,502)
Loss for the year	-	(183)	(183)
Balance as at 31 October 2018	7,973	(12,658)	(4,685)
Balance as at 1 November 2018	7,973	(12,658)	(4,685)
Loss for the period	-	(142)	(142)
Balance as at 31 July 2019	7,973	(12,800)	(4,827)

Restatement

On 29 October 2014, the company underwent a capital reduction, whereby the nominal values of shares held reduced from £1 to £0.00001 per share, which was not accounted for. The correction of this was recognised as a prior year adjustment in the 2017 Financial Statements, through the capital redemption reserve in equity.

STG TRAVEL GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE 9 MONTH PERIOD ENDED 31 JULY 2019

1. COMPANY INFORMATION

STG Travel Group Ltd is a non-trading company.

The company is a private company limited by shares and is incorporated in England. The address of its registered office is Crown House, 21 Upper North Street, Brighton, BN1 3FG.

2. STATEMENT OF COMPLIANCE

The individual financial statements of STG Travel Group Ltd have been prepared in compliance with the United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. ACCOUNTING POLICIES

The principal accounting policies applied to the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods unless otherwise stated.

Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

Going concern

The director has received confirmation from Morel Investment Management Limited, the 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. On this basis the director believes it is appropriate to prepare the financial statements on a going concern basis.

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the company's shareholders.

The company has taken advantage of the following exemptions:

- i. a reconciliation of the number of shares outstanding at the beginning and end of the period.
- ii. the requirement to prepare a statement of cash flows, on the basis that it is a qualifying entity and its intermediate parent company, Morel Investment Management Limited, includes the company's cash flows in its own consolidated financial statements.
- iii. certain financial instrument disclosures, required under FRS102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, on the basis that equivalent disclosures are included in the consolidated financial statement disclosures of the Group in which the entity is consolidated.

STG TRAVEL GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE 9 MONTH PERIOD ENDED 31 JULY 2019 (CONTINUED)

3. ACCOUNTING POLICIES (CONTINUED)

Exceptional items

Exceptional items are those significant items which are separately disclosed by virtue of their size or incidence to enable a full understanding of the company's financial performance.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

i. Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the period or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

ii. Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference

Provisions

Provisions are made for liabilities and charges when there is a legal or constructive obligation arising from a past event.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Related party transactions

The company discloses transactions with related parties which are not wholly owned within the same Group. It does not disclose transactions with members of the same Group that are wholly owned.

STG TRAVEL GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 JULY 2019 (CONTINUED)**

4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a) Critical judgements in applying the company's accounting policies

The director believes that there are no critical judgements involved in applying the company's accounting policies that warrant disclosure.

b) Key accounting estimates and assumptions

The director believes that there are no key accounting estimates and assumptions involved in applying the company's accounting policies that warrant disclosure.

5. EMPLOYEES AND DIRECTORS

Employees

The company has no employees (2018: none). All employees are employed by Equity Inspiring Learning Limited, another subsidiary of Morel Investment Management Limited.

Directors

The director received no remuneration in respect of their services to the Group or company during the period (2018: nil).

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2019 £'000	2018 £'000
Related party loan interest	(142)	(183)
Total interest payable and similar charges	(142)	(183)

STG TRAVEL GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 JULY 2019 (CONTINUED)**

7. TAX ON LOSS

The tax charge on the loss for the 9 month period was as follows:

	2019 £'000	2018 £'000
Current Tax:		
Corporation tax on loss for the period / year	-	-
Total interest payable and similar charges	<u>-</u>	<u>-</u>

Tax assessed for the period / year differs to the standard rate of corporation tax in the UK for the period ended 31 July 2019 of 19% (2018: 19%). The differences are explained below: -

	2019 £'000	2018 £'000
Loss before taxation	(142)	(183)
Loss multiplied by the standard rate of tax in the UK of 19% (2018: 19%)	(27)	(35)
Effects of:		
- Losses carried forward (unprovided)	27	35
Tax charge for the period / year	<u>-</u>	<u>-</u>

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 26 October 2016) and Finance Bill 2017 (on 7 September 2017). These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 17% from 1 April 2020.

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £'000	2018 £'000
Amounts owed to group undertakings	332	332
	<u>332</u>	<u>332</u>

Amounts due to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019 £'000	2018 £'000
Amounts owed to related party (note 11)	4,495	4,353

The loan carries an interest rate of 4% above Bank base rate. The interest accrues and is settled upon repayment. The loan was put in place on 26 October 2016 and is repayable in 5 years from this date.

STG TRAVEL GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 9 MONTH PERIOD ENDED 31 JULY 2019 (CONTINUED)**

10. SHARE CAPITAL

Ordinary shares of £1 each	2019 £	2018 £
Authorised:		
250,000 (2017: 250,000) Ordinary shares of £0.00001 each (2016: £0.00001)	2	2
7,217,333 (2017: 7,217,333) Ordinary A shares of £0.00001 each (2016: £0.00001)	72	72
1,000,000 (2017: 1,000,000) Ordinary B shares of £0.00001 each (2016: £0.00001)	10	10
	<hr/> 84 <hr/>	<hr/> 84 <hr/>
Allotted and fully paid:		
250,000 (2017: 250,000) Ordinary shares of £0.00001 each (2016: £0.00001)	2	2
7,217,333 (2017: 7,217,333) Ordinary A shares of £0.00001 each (2016: £0.00001)	72	72
505,230 (2017: 505,230) Ordinary B shares of £0.00001 each (2016: £0.00001)	6	6
	<hr/> 80 <hr/>	<hr/> 80 <hr/>

11. RELATED PARTY TRANSACTIONS

On 5 February 2018, the loan from Graduation Midco, put in place on 26 October 2016 and repayable in 5 years from this date, was acquired by Bryan Green for nil consideration. The loan carries an interest rate of 4% pa above Bank of England base rate. The interest (amounting to £142,000 during the period under review) accrues and is settled upon repayment.

12. CONTROLLING PARTY

On 1 March 2019, ownership of STG Travel Group Limited was transferred from The School Travel Group Limited to Equity Topco Limited. On 15 May 2019, Equity Topco Limited changed its name to Morel Investment Management Limited.

Therefore, the immediate parent undertaking of the entity and the largest group of undertakings for which consolidated financial statement are prepared to include the result of this company is Morel Investment Management Limited, a company incorporated in England & Wales. A copy of the Morel Investment Management Limited consolidated financial statements can be obtained from Companies House, Crown Way, Cardiff CF14 3U2.

The director considers that the ultimate controlling party as at 31 July 2019 is Taumarunui Investment LLP, the controlling party of which is Bryan Green.