

**STS School Travel Service Limited**

**Annual report and financial statements**

**for the 15 month period ended 31 October 2013**

**Registered number: 03323339**



# **STS School Travel Service Limited**

## **Annual report and financial statements for the 15 month period ended 31 October 2013**

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# **STS School Travel Service 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

# **STS School Travel Service Limited**

## **Directors' report for the 15 month period ended 31 October 2013**

The directors present their report and the audited financial statements for the 15 month period ended 31 October 2013.

### **Principal activities and business review**

The principal activity of the company is that of an educational tour provider. The company operates an overseas branch in France. The performance of the company during the period and the period 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.

### **Change in accounting period end date**

During the period the directors decided to change the accounting period end date to 31 October to be more aligned with industry common practice. The period referred to as the 15 month period in these financial statements is the period from 1 August 2012 to 31 October 2013.

### **Results and dividends**

The profit for the period amounted to £637,000 (2012: £1,033,000). The directors have not recommended the payment of a dividend (2012: £nil).

### **Key performance indicators**

The directors of Inspiring Learning (Bidco) Limited manage the group's operations on a group wide basis. For this reason, the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of STS School Travel Service Limited. The development, performance and position of Inspiring Learning (Bidco) Limited group, which includes this company, is discussed in the group's annual report which does not form part of this report.

### **Going concern**

The directors have received confirmation from Inspiring Learning (Bidco) Limited, an intermediate parent undertaking, that it will provide financial support to STS School Travel Service 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 intermediate parent undertaking, Inspiring Learning (Bidco) Limited, for the period ending 31 October 2015 and the current trading performance for the first three months of the financial year ending 31 October 2014. The directors have performed analyses to assess the impact on the projections of reductions in revenues, increased costs and amendments to the available facilities, 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.

### **Principal risks and uncertainties**

The management of the business and the execution of the company's strategy are subject to a number of risks, the key ones being set out below:

- Customer demand and market competition – the business will engage in regular communication with its customers to establish trends and ensure maximum customer satisfaction. Market competitors are recognised and monitored.

# **STS School Travel Service Limited**

## **Directors' report for the 15 month period ended 31 October 2013 (continued)**

### **Principal risks and uncertainties (continued)**

- Major disaster – as with any major operator the business is exposed to external events such as fire, natural disaster or infectious disease. A disaster recovery plan is in place and commercial insurances exist for any significant business interruption or loss/damage.
- Reputational risk – the business has a robust safeguarding and health and safety policy which is reviewed on a regular basis to ensure it is fit for purpose. The group also employs a PR agency to manage image and brand awareness within the industry.
- Adequate financing and funding risk – the business is in regular communication with all shareholders and lenders to assess future funding requirements. The business monitors cash flow and forward looking forecasts to ensure a clear view of the coming events.

### **Financial risk**

The company's operations expose it to a variety of financial risks that include foreign exchange risk, credit risk, liquidity risk and credit 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 debtors as they fall due.

#### *Credit risk*

The business's principal financial assets are cash and trade debtors, with the main risk arising from its trade debtors. In order to manage the credit risk the company requires deposit payments leading up to the date of the educational tour such that the full balance is paid before this date.

#### *Foreign exchange risk*

The business has some exposure to translation and transaction foreign exchange risk through its overseas activities. The business enters into forward foreign exchange contracts to manage the potential risks associated with exchange rate volatility.

### **Directors**

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

J Bentley

N Wright (resigned 13/09/2013)

N Goodwin (appointed 25/03/13)

### **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 sections 234 and 235 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.

# **STS School Travel Service Limited**

## **Directors' report for the 15 month period ended 31 October 2013 (continued)**

### **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 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 they have 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



N Goodwin  
Director  
31 January 2014

# **STS School Travel Service Limited**

## **Independent auditors' report to the members of STS School Travel Service Limited**

We have audited the financial statements of STS School Travel Service Limited for the period ended 31 October 2013 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### **Respective responsibilities of directors and auditors**

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). 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.

### **Scope of the audit of the financial statements**

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

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2013 and of its profit 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the directors' report for the period for which the financial statements are prepared is consistent with the financial statements.

## **STS School Travel Service Limited**

### **Independent auditors' report to the members of STS School Travel Service Limited (continued)**

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, 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.



**Christopher Maw (Senior Statutory Auditor)**  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Norwich  
31 January 2014



# STS School Travel Service Limited

## Profit and loss account for the 15 month period ended 31 October 2013

		15 months ended 31 October 2013	Year ended 31 July 2012 Restated
	Note	£'000	£'000
<b>Turnover</b>	2	17,387	14,992
Cost of sales		(15,182)	(11,584)
<b>Gross profit</b>		<b>2,205</b>	<b>3,408</b>
Administrative expenses		(2,654)	(2,378)
Other operating income		1,098	-
<b>Profit on ordinary activities before taxation</b>	3	<b>649</b>	<b>1,030</b>
Tax on profit on ordinary activities	6	(12)	3
<b>Profit for the period</b>	16, 17	<b>637</b>	<b>1,033</b>

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

## Statement of total recognised gains and losses for the 15 month period ended 31 October 2013

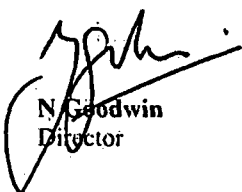
		15 months ended 31 October 2013	Year ended 31 July 2012 Restated
	Note	£'000	£'000
Profit for the period		637	1,033
Exchange differences		(23)	(89)
<b>Total recognised gains relating to the period</b>		<b>614</b>	<b>944</b>
Prior year adjustment	1	(468)	
<b>Total gains recognised since last annual report</b>		<b>146</b>	

# STS School Travel Service Limited

## Balance sheet as at 31 October 2013

		31 October 2013	31 July 2012 Restated
	Note	£'000	£'000
<b>Fixed assets</b>			
Intangible assets	7	156	172
Tangible assets	8	88	92
Investments	9	2	2
		<b>246</b>	<b>266</b>
<b>Current assets</b>			
Stocks	10	4	7
Debtors	11	11,888	9,713
Cash at bank and in hand		471	209
		<b>12,363</b>	<b>9,929</b>
<b>Creditors: amounts falling due within one year</b>	12	<b>(6,901)</b>	<b>(5,101)</b>
<b>Net current assets</b>		<b>5,462</b>	<b>4,828</b>
<b>Total assets less current liabilities and Net assets</b>		<b>5,708</b>	<b>5,094</b>
<b>Capital and reserves</b>			
Called up share capital	15	1,600	1,600
Profit and loss account	16	4,108	3,494
<b>Total shareholders' funds</b>	17	<b>5,708</b>	<b>5,094</b>

The financial statements on pages 8 to 18 were approved by the board of directors on 31 January 2014 and were signed on its behalf by:

  
N. Goodwin  
Director

# **STS School Travel Service Limited**

## **Notes to the financial statements for the 15 month period ended 31 October 2013**

### **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 consistently applied unless otherwise stated.

In previous years the profit and loss account was set out by reference to Format 2 (Schedule 1 Companies Act 2006). In preparing the financial statements the directors have reviewed the format of the profit and loss account and have determined that the layout set out as Format 1 (Schedule 1 Companies Act 2006) more appropriately reflects the nature of the group's activities. Accordingly, the profit and loss account for the period ended 31 October 2013 has been presented by reference to this format and the comparative figures have been restated. There is no impact on the result for the year or net assets.

#### **Going concern**

The directors have received confirmation from Inspiring Learning (Bidco) Limited, an intermediate parent undertaking, that it will provide financial support to STS School Travel Service 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 intermediate parent undertaking, Inspiring Learning (Bidco) Limited, for the period ending 31 October 2015 and the current trading performance for the first three months of the financial year ending 31 October 2014. The directors have performed analyses to assess the impact on the projections of reductions in revenues, increased costs and amendments to the available facilities, 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 available facilities, 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, it is an intermediate holding company and its results are included in the financial statements of its intermediate parent undertaking Inspiring Learning (Bidco) 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.

# **STS School Travel Service Limited**

## **Notes to the financial statements for the 15 month period ended 31 October 2013 (continued)**

### **1. Accounting policies (continued)**

#### **Turnover**

The turnover shown in the profit and loss account represents amounts receivable for tours and any related coach travel commencing in the period, exclusive of Value Added Tax. Other income, excluding Value Added Tax, is recognised at the date of sale with the exception of income generated from the sale of third party insurance policies which is recognised on departure date.

Deposits received in advance for tours commencing after the period end are included within deferred income.

#### **Prior year adjustment**

During the financial period 31 October 2013, a change was made to the accounting policy in respect of the recognition of commission income on the sale of third party insurance policies. Previously, income was recognised at the date of sale of the insurance policy being the booking confirmation date. They are now recognised on the date the trip departs, in line with standard travel industry practice.

In accordance with the requirements of Financial Reporting Standard 3, the resulting adjustments have been accounted for as a prior year adjustment and as such there has been a reduction in prior year accrued income of £468,000. The net effect of the above is to reduce the profit and loss reserve as at 31 July 2012 by £468,000 and the profit and loss account for the year ended 31 July 2012 by £210,000.

#### **Goodwill**

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the balance sheet. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

#### **Amortisation**

Amortisation 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:

Goodwill - 20 years

#### **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 into its working condition for its intended use.

#### **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
Motor vehicles	-	3 - 5 years straight line
Resort equipment	-	3 - 5 years straight line

#### **Operating lease agreements**

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged against profits on a straight line basis over the period of the lease.

# STS School Travel Service Limited

## Notes to the financial statements for the 15 month period ended 31 October 2013 (continued)

### 1. Accounting policies (continued)

#### Foreign currencies

Transactions denominated in foreign currencies are recorded at actual exchange rates as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the period end are reported at the rates of exchange prevailing at that date.

Exchange differences arising from the retranslation of the opening net assets of branches which have currencies of operation other than sterling are taken to reserves together with the differences arising from the retranslation of the profit and loss account at period-end as compared to the average exchange rates. Other exchange gains and losses arising are taken to the profit and loss account.

#### Investments

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

#### Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is determined on a first in first out basis.

#### Deferred taxation

Provision is made for deferred taxation, using the full provision accounting method, when an event has taken place by the balance sheet date which gives rise to an increased or reduced tax liability in the future, in accordance with FRS 19, "Deferred tax". Deferred tax assets are recognised to the extent that they are regarded as recoverable. Deferred tax assets and liabilities are not discounted.

Deferred tax is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or deferred tax liability is settled.

### 2. Turnover

The turnover and profit on ordinary activities before tax are attributable to the principal activities of the company. Although the provision of certain services took place abroad, all turnover is considered to arise in the United Kingdom.

### 3. Profit on ordinary activities before taxation

	2013	2012
	£'000	£'000
<b>Profit on ordinary activities is stated after charging:</b>		
Depreciation of tangible assets	36	28
Amortisation of intangible assets	16	12
Foreign exchange gain	(61)	(171)
Auditor's remuneration - audit fees	54	31
Auditor's remuneration - other fees	24	12
Operating lease charges - land and buildings	113	112

# STS School Travel Service Limited

## Notes to the financial statements for the 15 month period ended 31 October 2013 (continued)

### 4. Employee information

Employees are employed and paid by a fellow subsidiary undertaking company STG Travel Ltd. and recharged to the company.

### 5. Directors emoluments

The Directors received no emoluments for services provided to the company during the period (2012: nil).

### 6. Tax on profit on ordinary activities

#### (a) Analysis of tax charge/(credit) in the period

	2013 £'000	2012 £'000
<b>Current tax</b>		
Adjustments in respect of previous periods	-	4
Total current tax (note 6b)	-	4
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	(7)
Adjustments in respect of previous periods	-	(1)
Derecognition of previously recognised deferred tax asset	12	-
Change in tax rates	-	1
Total deferred tax	12	(7)
Tax on profit on ordinary activities	12	(3)

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

The current tax assessed for the period is higher (2012: lower) than the standard rate of corporation tax in the UK of 23.5% (2012: 25.3%). The differences are explained below:

	2013 £'000	2012 £'000
<b>Profit on ordinary activities before taxation</b>	<b>649</b>	<b>1,030</b>
Profit on ordinary activities multiplied by rate of tax at 23.5% (2012: 25.3%)	153	261
Effects of:		
Permanent differences	1	1
Depreciation in excess of capital allowances	7	6
Group relief	(161)	(268)
Adjustment in respect of previous periods	-	4
Current tax charge for the period (note 6a)	-	4

# STS School Travel Service Limited

## Notes to the financial statements for the 15 month period ended 31 October 2013 (continued)

### (c) Factors affecting future tax charge

During the period, as a result of the change in the UK main corporation tax rate from 23% to 21% from 1 April 2014 and 20% from 1 April 2015, which were substantively enacted on the 2 July 2013, the relevant deferred tax balances have been re-measured.

### 7. Intangible assets

	Goodwill £'000
<b>Cost</b>	
At 1 August 2012	1,370
Impairment	(1,121)
<b>At 31 October 2013</b>	<b>249</b>
<b>Accumulated amortisation</b>	
At 1 August 2012	1,198
Impairment	(1,121)
Charge for period	16
<b>At 31 October 2013</b>	<b>93</b>
<b>Net book amount</b>	
<b>At 31 October 2013</b>	<b>156</b>
At 31 July 2012	172

### 8. Tangible assets

	Fixtures, fittings & equipment £'000	Motor vehicles £'000	Resort equipment £'000	Total £'000
<b>Cost</b>				
At 1 August 2012	355	8	25	388
Additions	14	4	7	25
Exchange differences	30	-	2	32
<b>At 31 October 2013</b>	<b>399</b>	<b>12</b>	<b>34</b>	<b>445</b>
<b>Accumulated depreciation</b>				
At 1 August 2012	268	8	20	296
Charge for period	33	-	3	36
Exchange differences	23	1	1	25
<b>At 31 October 2013</b>	<b>324</b>	<b>9</b>	<b>24</b>	<b>357</b>
<b>Net book amount</b>				
<b>At 31 October 2013</b>	<b>75</b>	<b>3</b>	<b>10</b>	<b>88</b>
At 31 July 2012	87	-	5	92

# STS School Travel Service Limited

## Notes to the financial statements for the 15 month period ended 31 October 2013 (continued)

### 9. Investments

Cost and net book amount	£'000
At 1 August 2012 and at 31 October 2013	2

At 31 October 2013 the company owned the whole of the issued share capital of the following companies:

Company	Principal activity
STS Holidays Limited	Dormant

The directors consider the value of the investments to be supported by their underlying assets and cash flows.

### 10. Stocks

	31 October 2013 £'000	31 July 2012 £'000
Goods held for resale	4	7

The replacement cost of stocks does not differ materially from the values disclosed above.

### 11. Debtors

	31 October 2013 £'000	31 July 2012 Restated £'000
Amounts owed by group undertakings	11,797	9,629
Other taxation and social security	7	21
Prepayments and accrued income	84	51
Deferred tax asset (note 13)	-	12
	11,888	9,713

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



# STS School Travel Service Limited

## Notes to the financial statements for the 15 month period ended 31 October 2013 (continued)

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

	31 October 2013 £'000	31 July 2012 £'000
Trade creditors	47	34
Amounts owed to group undertakings	3,594	823
Other taxation and social security	-	24
Accruals and deferred income	3,260	4,220
	<b>6,901</b>	<b>5,101</b>

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

### 13. Deferred taxation

The movement in the deferred taxation asset during the period was:

	£'000
At 1 August 2012	12
Credited to the profit and loss account in the period (note 6)	(12)
<b>At 31 October 2013 (note 11)</b>	<b>-</b>

The deferred tax asset consists of the tax effect of timing differences in respect of:

	31 October 2013 £'000	31 July 2012 £'000
Unprovided depreciation in excess of capital allowances	-	12

The company has unrecognised capital allowances of £12,000 (2012: £nil). This amount has been calculated at a rate of 20% (2012: 23%).

### 14. Leasing commitments

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

	31 October 2013 £'000	31 July 2012 £'000
Between two and five years	119	111

# STS School Travel Service Limited

## Notes to the financial statements for the 15 month period ended 31 October 2013 (continued)

### 15. Called up share capital

	31 October 2013 £'000	31 July 2012 £'000
<b>Authorised</b>		
5,000,000 (2012: 5,000,000) Ordinary shares of £1 each	5,000	5,000
<b>Allotted and fully paid:</b>		
1,600,002 (2012: 1,600,002) Ordinary shares of £1 each	1,600	1,600

### 16. Profit and loss account

	£'000
At 1 August 2012 as previously stated	3,962
Prior year adjustment (note 1)	(468)
At 1 August 2012 restated	3,494
Profit for the period	637
Foreign exchange	(23)
<b>At 31 October 2013</b>	<b>4,108</b>

### 17. Reconciliation of movement in total shareholders' funds

	2013 £'000	2012 £'000
Opening total shareholders' funds as originally stated	5,562	4,408
Prior year adjustment (note 1)	(468)	(258)
Opening total shareholders' funds as restated	5,094	4,150
Profit for the period	637	1,033
Foreign exchange	(23)	(89)
<b>Closing total shareholders' funds</b>	<b>5,708</b>	<b>5,094</b>

## **STS School Travel Service Limited**

### **Notes to the financial statements for the 15 month period ended 31 October 2013 (continued)**

#### **18. Contingent liabilities**

The company has granted a limited intercompany guarantee in support of the liabilities of certain group companies arising under the overdraft facility, the capex facility and the hedging arrangements, but no further, in respect of amounts owed under the group's banking arrangements. The liabilities concerned amounted to £34,646,000 at 31 October 2013 (2012: £54,467,000).

There were no other material contingent liabilities at 31 October 2013 or 31 July 2012.

#### **19. Ultimate controlling party**

The immediate parent undertaking of the entity is STG Travel Group Ltd., a company incorporated in England and Wales.

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

Copies of Inspiring Learning (Bidco) Limited and Inspiring Learning Limited consolidated financial statements can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

Inspiring Learning (Newco) Limited, incorporated in England and Wales, is the ultimate parent undertaking for STG Travel Ltd.

The company is controlled by funds whose ultimate general partner is DLJ MB, LLC, the general partner of DLJ Merchant Banking IV (Cayman) LP, which is the general partner of DLJMB Overseas Partners IV, LP, and Ares Capital Europe Limited.