

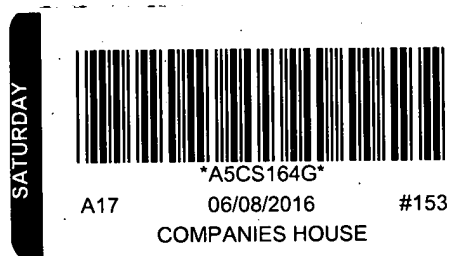
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Registered number
06258857

Statesman Travel Group Limited

Report and Financial Statements

31 December 2015



Statesman Travel Group Limited
Report and accounts
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Statesman Travel Group Limited
Company Information

Directors

J M Langley

M J Williamson

E Brannan

M Bernard Resigned 1 May 2015

A Thomson

W Gresty Appointed 1 May 2015

Auditors

Nexia Smith & Williamson

25 Moorgate

London

EC2R 6AY

Registered office

Senator House

85 Queen Victoria Street

London

EC4V 4AB

Registered number

06258857

Statesman Travel Group Limited**Registered number:** 06258857**Directors' Report****for the year ended 31 December 2015**

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

Principal Place of Business

Statesman Travel Group Limited is a company incorporation and domiciled in England and Wales and has its registered office and principle place of business as Senator House, 85 Queen Street, London, EC4V 4AB.

Principal activities

The principal activity of the Group and Company is that of providing services in business travel management, events and specialised sales and will continue to do so in the future.

Dividends

The directors do not recommend the payment of a dividend (2014: nil).

Post Balance Sheet Events

There have been no significant events affecting the group and the company since the year end.

Future Developments

Future trading expectations can be found on the strategic report on page 5.

Directors

The following persons served as directors during the year:

J M Langley	
M J Williamson	
E Brannan	
M Bernard	Resigned 1 May 2015
A Thomson	
W Gresty	Appointed 1 May 2015

Charitable donations

During the period the Group made charitable contributions of £600 (2014: £2,657)

Disclosure of information to auditors

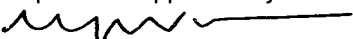
Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.
- this information is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditor

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

This report was approved by the board on 4 July 2016 and signed by its order.


M J Williamson
Secretary

Statesman Travel Group Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic Report, Directors' Report and 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 elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (Generally Accepted Accounting Practice) including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the Group and of the profit or loss of the Group 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statesman Travel Group Limited
Strategic Report
for the year ended 31 December 2015

Principal Activities

The principal activity of the Group and Company is that of providing services in business travel management, events and specialised sales and will continue to do so in the future.

Business Review

This is the first year these financial statements have been prepared under FRS102 as detailed in notes 1 and 34.

Statesman delivered another resilient performance given the often volatile and competitive markets the Group operates in, with corporates increasingly looking for additional value in its travel management programme. Our evolving travel portal Statesmanager, continues to impress, resulting in our overall self-booking profile increasing from 34.8% to 39.6%. We see our technology solutions as a way of helping our clients reduce the cost of making travel bookings, particularly on the simpler point-to-point trips. The ability to combine superior managed travel services with cutting edge technology solutions continues to make Statesman a leading expert in this sector and one that will continue to thrive in tough trading conditions.

Overall the Group has traded up 14.5% in transactions with total gross turnover up by 10.3% to £99.8m as a result of new business wins and the acquisition of Greaves Travel in August 2015. Net revenue was higher at £7.9m, an increase of 8%. EBITDA was slightly down at £1m due to continued investment in the business, however prospects for 2016 are very encouraging.

The cash position of the group was in line with 2014 at £1.06m.

Measuring Progress

Client services are regularly measured through the use of regular satisfaction surveys in accordance to agreed service level agreements. In 2015 these surveys resulted in over 90% of our clients stating they would recommend us. It is our passion and expertise that delivers excellent service and our attention to detail that has led to Statesman's consistent high client retention rate.

Primary key performance indicators used to measure short-term performance and progress towards our strategic objectives are:

Gross Turnover	£99.8m (2014:£90.5m)
Gross Transactions	+14.5%
Net Revenue	£7.9m (2014: £7.3m)
EBITDA	12.0% (2014: 14.1%)
Debtor days	19.7 (2014: 16.98)
Working Capital Ratio	1.06 (2014: 1.16)

Global Reach

Our international partnership, Travel Solutions International (TSI) continues to thrive. With credible, like-minded partners throughout the world we are able to offer our clients a truly global solution that focuses on bringing consistency, clarity and standards to the management of travel expenditure across international markets.

TSI offers advanced global data consolidation, global IT solutions, global supplier negotiations, excellent customer service and the opportunity for reciprocal trading.

Now operating in 35 countries with global sales in excess of \$3.5bn, with our partners we are able to collectively provide solutions that support our multi-national clients' travel management needs, wherever they may be in the world.

Statesman Travel Group Limited
Strategic Report (Continued)
for the year ended 31 December 2015

Future Trading Expectations

Statesman continues to invest in its technology platform which continues to improve customer satisfaction through booking efficiencies and traveller experience, including an enhanced traveller tracking and itinerary app.

Statesman manages its operations under ISO 9001-2008 for its quality management system and ISO 14001-2004 for its environmental management system. Statesman is completing its ISO 27001 for our security management systems. We believe these accreditations provide a competitive advantage over many of our competitors.

In August 2015, Statesman acquired Greaves Travel, a hugely respected, long-established, well-known specialist fares business. Its long term relationship with British Airways has made this business a success for many years and will add to our market leading, Masterfare brand.

Statesman remains financially secure and well placed to grow significantly over the next 3 years. Our values and continued investment in our people, our technology and our infrastructure will keep Statesman's "total travel service" at the forefront of the travel management community.

The Directors wish to express their sincere thanks to all staff for their continued commitment and contribution to the company's success in delivering exceptional service, innovation and value to its clients.

Financial Risk Management

Effective risk management is critical to achieving the Company's strategic objectives. Potential risks are identified, evaluated and rectified through a very comprehensive system of internal controls which Statesman continues to operate. Regular reviews are conducted on such controls ensuring any risk is minimised.

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.

Details of the group's financial instruments and its policies with regard to financial risk management are given in note 1 and 16 the financial statements.

This report was approved by the board on 4 July 2016 and signed by its order.

M J Williamson
Secretary



Statesman Travel Group Limited
Independent auditor's report
to the members of Statesman Travel Group Limited

We have audited the financial statements of Statesman Travel Group Limited for the year ended 31 December 2015 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the related notes 1 to 34. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities 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. 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the accounts

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate

Opinion on the accounts

In our opinion the accounts:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2015 and of the Group's 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.

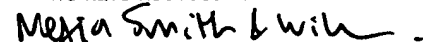
Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and
- 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.


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

25 Moorgate
London
EC2R 6AY

5 July 2016

Statesman Travel Group Limited
Consolidated Statement of Comprehensive Income
for the year ended 31 December 2015

	Notes	2015 £	2014 £
Turnover	3	7,884,022	7,299,166
Administrative expenses		(7,534,454)	(6,882,855)
Operating profit	4	<u>349,568</u>	<u>416,311</u>
Gain on sale of fixed assets		1,717	-
Share of operating profit in joint ventures		254	168
Interest receivable		-	9,522
Interest payable	7	(348,207)	(359,553)
Profit before taxation		<u>3,332</u>	<u>66,448</u>
Taxation on profit	8	(121,053)	(110,538)
Loss for the financial year		<u>(117,721)</u>	<u>(44,090)</u>
Other comprehensive income		-	-
Total comprehensive income for the financial year		<u>(117,721)</u>	<u>(44,090)</u>

Loss and total comprehensive income for the financial year is attributable to the owners of the parent.

The notes on pages 13 to 26 form part of these financial statements.

Statesman Travel Group Limited
Consolidated Statement of Financial Position
as at 31 December 2015

	Notes	2015 £	2014 £
Fixed assets			
Intangible assets	9	6,756,157	6,733,285
Tangible assets	10	348,640	426,442
Investments	11	2,124	2,124
Investments in joint ventures	12	41,016	50,762
		<u>7,147,937</u>	<u>7,212,613</u>
Debtors: amounts falling due after more than one year	13	30,556	66,667
Current assets			
Debtors	13	6,121,782	4,839,707
Cash at bank and in hand		1,061,396	1,145,578
		<u>7,213,734</u>	<u>6,051,952</u>
Creditors: amounts falling due within one year	14	(6,801,045)	(5,224,428)
Net current assets		<u>412,689</u>	<u>827,524</u>
Total assets less current liabilities		7,560,626	8,040,137
Creditors: amounts falling due after more than one year	15	(4,790,039)	(5,042,845)
Provisions for liabilities			
Deferred taxation	18	(2,742)	(20,710)
Net assets		<u>2,767,845</u>	<u>2,976,582</u>
Capital and reserves			
Share Capital	19	718,133	718,133
Share Premium	20	1,469,367	1,469,367
Treasury Reserve	22	(111,113)	-
Profit and loss account	23	691,458	789,082
Total equity		<u>2,767,845</u>	<u>2,976,582</u>

M J Williamson

Director


Approved by the board on 4 July 2016

Registered Company number 06258857

The notes on pages 13 to 26 form part of these financial statements.

Statesman Travel Group Limited
Company Statement of Financial Position
as at 31 December 2015

	Notes	2015 £	2014 £
Fixed assets			
Investments	11	2,870,871	2,870,871
Investments in subsidiary	11	898,840	798,840
		<u>3,769,711</u>	<u>3,669,711</u>
Debtors: amounts falling due after more than one year		2,306,975	-
Current assets			
Debtors	13	3,567,191	2,810,947
Cash at bank and in hand		-	(17,054)
		<u>5,874,166</u>	<u>2,793,893</u>
Net current assets		<u>5,874,166</u>	<u>2,793,893</u>
Total assets less current liabilities		9,643,877	6,463,604
Creditors: amounts falling due after more than one year	15	(8,539,199)	(5,042,845)
Net assets		<u>1,104,678</u>	<u>1,420,759</u>
Capital and reserves			
Share Capital	19	718,133	718,133
Share Premium	20	1,469,367	1,469,367
Treasury Reserve	22	(111,113)	-
Profit and loss account	23	(971,709)	(766,741)
Total equity		<u>1,104,678</u>	<u>1,420,759</u>


M J Williamson
Director
Approved by the board on 4 July 2016

Registered Company number 06258857

The notes on pages 13 to 26 form part of these financial statements.

Statesman Travel Group Limited
Consolidated Statement of Changes in Equity
for the year ended 31 December 2015

		Share capital	Share premium	Treasury reserves	Profit and loss account	Total
	Notes	£	£	£	£	£
Balance at 1 January 2014	34	718,133	1,469,367	-	833,172	3,020,672
Total comprehensive income for the financial year		-	-	-	(44,090)	(44,090)
Balance at 31 December 2014	34	<u>718,133</u>	<u>1,469,367</u>	<u>-</u>	<u>789,082</u>	<u>2,976,582</u>
Balance at 1 January 2015	34	718,133	1,469,367	-	789,082	2,976,582
Total comprehensive income for the financial year		-	-	-	(117,721)	(117,721)
Transfer of Reserves		-	-	-	20,097	20,097
Purchase of Own Shares		-	-	(111,113)	-	(111,113)
Balance at 31 December 2015		<u>718,133</u>	<u>1,469,367</u>	<u>(111,113)</u>	<u>691,458</u>	<u>2,767,845</u>

The notes on pages 13 to 26 form part of these financial statements.

Statesman Travel Group Limited
Company Statement of Changes in Equity
for the year ended 31 December 2015

	Notes	Share capital £	Share premium £	Treasury reserves £	Profit and loss account £	Total £
Balance at 1 January 2014	34	718,133	1,469,367	-	(552,398)	1,635,102
Total comprehensive income for the financial year		-	-	-	(214,343)	(214,343)
Balance at 31 December 2014	34	<u>718,133</u>	<u>1,469,367</u>	<u>-</u>	<u>(766,741)</u>	<u>1,420,759</u>
Balance at 1 January 2015	34	718,133	1,469,367	-	(766,741)	1,420,759
Total comprehensive income for the financial year		-	-	-	(225,065)	(225,065)
Transfer of Reserves		-	-	-	20,097	20,097
Purchase of Own Shares		-	-	(111,113)	-	(111,113)
Balance at 31 December 2015		<u>718,133</u>	<u>1,469,367</u>	<u>(111,113)</u>	<u>(971,709)</u>	<u>1,104,678</u>

The notes on pages 13 to 26 form part of these financial statements.

Statesman Travel Group Limited
Consolidated Statement of Cash Flows
for the year ended 31 December 2015

	Notes	2015	2014
		£	£
Net cash generated from Operating Activities	25	888,629	1,478,991
Investing activities			
Dividends received		10,000	-
Interest received		-	9,522
Purchases intangible assets		(472,751)	-
Purchases of tangible assets		(93,518)	(53,757)
Proceeds from sale of investments		4,750	9,348
Net Cash used in investing activities		(642,535)	(34,887)
Financing activities			
Capital element of finance lease payments		17,931	(762,413)
Interest paid		(347,584)	(367,884)
Interest element of finance lease payments		(623)	(2,195)
Net Cash used in financing activities		(330,276)	(1,132,492)
Cash used in operating activities		888,629	1,478,991
Cash generated by investing activities		(642,535)	(34,887)
Cash generated by financing activities		(330,276)	(1,132,492)
Net (decrease)/increase in cash and cash equivalents		(84,182)	311,612
Cash and cash equivalents at beginning of the year		1,145,578	833,966
Cash and cash equivalents at end of the year		1,061,396	1,145,578

Statesman Travel Group Limited
Notes to the Accounts
for the year ended 31 December 2015

1 Summary of significant accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

These financial statements are the first annual financial statements of the company and the group prepared in accordance with FRS 102, the first date at which FRS 102 was applied was 1 January 2014. The legal form of the entity and registered office can be found in note 32 and 33, respectively.

In accordance with FRS 102 the company has:

- provided comparative information;
- applied the same accounting policies throughout all periods presented;
- retrospectively applied FRS 102 as required; and
- applied certain optional exemptions and mandatory exceptions as applicable for first time adopters of FRS 102

Advantage has been taken of the exemption from presenting unconsolidated statement of comprehensive income under section 408 of Companies Act 2006.

Further information about the transition to FRS 102 can be found in note 34.

Turnover

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

Sale of Goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of Services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- the costs incurred and the costs to complete the contract can be measured reliably

Intangible fixed assets

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

Goodwill, brand and customer lists are recognised when acquired as part of a business combination at the fair value at the date of acquisition. They are subsequently amortised over their estimated useful life of:

- Goodwill 20 years
- Brands 2 years
- Customer lists 10 years

Tangible fixed assets

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

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

Computer equipment	25%
Leasehold property	20%
Motor vehicles	20%
Fixtures and fittings	15%

Statesman Travel Group Limited
Notes to the Accounts
for the year ended 31 December 2015

1 Summary of significant accounting policies (continued)

Fixed Asset Investments: Subsidiary and associated undertakings

Investments in subsidiary and associated undertakings are disclosed at cost less any provisions for permanent diminution in value. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

Investments

Investments in unquoted equity instruments are measured at fair value. Changes in fair value are recognised in profit or loss. Fair value is estimated by using a valuation technique.

Investments in subsidiaries

Investments in subsidiaries are stated at cost less any provision for impairment.

Financial instruments

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised in the balance sheet when the group becomes a party to the contractual provisions of the instrument.

Investments in listed shares are classified as basic financial instruments. They are initially measured at transaction price and subsequently measured at fair value, with changes in fair value being recognised in profit or loss. Fair value is determined using the quoted bid price at the balance sheet date.

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

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

Derivative financial instruments are classified as other financial instruments. They are measured at fair value on initial recognition and at the end of each reporting period, with changes in fair value recognised in profit or loss.

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

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

Debtors

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts.

Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

Creditors

Short term creditors are measured at transaction price (which is usually the invoice price).

Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

Statesman Travel Group Limited
Notes to the Accounts
for the year ended 31 December 2015

1 Summary of significant accounting policies (continued)

Provisions

Provisions (i.e. liabilities of uncertain timing or amount) are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that economic benefit will be transferred to settle the obligation and the amount of the obligation can be estimated reliably.

Taxation

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

The current tax charge is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences between taxable profits and total comprehensive income that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

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

Deferred tax liabilities are recognised for timing differences arising on investments in subsidiaries, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

Leased assets

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases.

The rights of use and obligations under finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments.

Minimum lease payments are apportioned between the finance charge and the reduction in the outstanding liability using the effective interest rate method. The finance charge is allocated to each period during the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Leased assets are depreciated in accordance with the company's policy for tangible fixed assets. If there is no reasonable certainty that ownership will be obtained at the end of the lease term, the asset is depreciated over the lower of the lease term and its useful life.

Operating lease payments are recognised as an expense on a straight line basis over the lease term.

Defined benefit scheme

Contributions to defined benefit schemes, including directors, are expensed in the period to which they relate.

Defined contribution scheme

Contributions to defined contribution schemes, including directors, are expensed in the period to which they relate.

Jointly Controlled Entities

Statesman Travel Limited, a subsidiary of Statesman Travel Group Limited, is entered into a jointly controlled entity agreement with PTG Limited on the 25 June 2008. This is recognised under Equity Accounting defined in FRS 102.

Statesman Travel Group Limited
Notes to the Accounts
for the year ended 31 December 2015

1 Summary of significant accounting policies (continued)

Basis of Consolidation

The group financial statements incorporate the financial statements of the company and entities controlled by the company (its subsidiaries) prepared to 31 December each year. Control is achieved where the company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in profit or loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the group.

All intra-group transactions and balances and any unrealised gains and losses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

The company has taken advantage of the exemption provided under section 408 of the Companies Act 2006 not to publish its individual statement of comprehensive income and related notes. The loss after tax of the parent company for the year was (£225,065).

Business combinations and goodwill

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the group.

The cost of a business combination is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group in exchange for control and the costs directly attributable to the business combination. The consideration transferred includes the estimate of any asset or liability resulting from a contingent consideration arrangement where the transfer of further consideration is probable and can be measured reliably. Identifiable assets acquired and liabilities and contingent liabilities assumed in the business combination are measured initially at their fair values at the acquisition date. Contingent liabilities are only recognised where the fair value can be measured reliably.

The group measures goodwill at the acquisition date as the excess of the cost of the business combination over the acquirer's interest in the net amount of the identifiable assets, liabilities and contingent liabilities recognised. Subsequently goodwill is amortised on a straight line basis over its useful life of three years.

When the excess is negative, the negative goodwill arising is recognised separately on the face of the balance sheet and released up to the fair value of the non-monetary assets as the non-monetary assets are recovered and otherwise in the periods expected to be benefited.

2 Critical accounting estimates and judgements

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

The 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are disclosed below:

Impairment of goodwill

Goodwill arising on the acquisition of subsidiary undertakings, businesses and customer relationships, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life.

Goodwill, Brands and Customer lists are reviewed annually for impairment.

Impairment of intercompany balances

The intercompany balances are reviewed annually for impairment.

Statesman Travel Group Limited
Notes to the Accounts
for the year ended 31 December 2015

3 Turnover

The total turnover of the Group for the period has been derived from its principal activity wholly undertaken in the United Kingdom, the financial statements show net commission earned as turnover.

	Group	
	2015	2014
	£	£
Sale of travel services	99,870,293	90,510,762
Cost of sales	(91,986,271)	(83,211,596)
	<u>7,884,022</u>	<u>7,299,166</u>

4 Operating profit

	Group	
	2015	2014
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	163,220	166,163
Depreciation of assets held under finance lease contracts	5,067	9,874
Amortisation of goodwill	449,879	431,947
Operating lease rentals - land and buildings	385,002	317,045
Auditor's remuneration for audit services	32,464	29,253
Auditor's remuneration for other services	6,729	7,225
Contributions to defined benefit pension plans	<u>65,564</u>	<u>39,266</u>

5 Directors' emoluments

	Group	
	2015	2014
	£	£
Emoluments	428,750	441,950
Gains made under long term incentive schemes	7,104	6,927
Company contributions to defined contribution pension plans	<u>14,936</u>	<u>14,035</u>
	<u>450,790</u>	<u>462,912</u>
Highest paid director:		
Emoluments	<u>133,000</u>	<u>128,750</u>
Highest paid director:		
Accrued retirement benefits from defined benefit pension plans	<u>-</u>	<u>-</u>

Number of directors to whom retirement benefits accrued:

	2015	2014
	Number	Number
Defined contribution plans	3	3
Defined benefit plans	<u>3</u>	<u>3</u>

Statesman Travel Group Limited
Notes to the Accounts
for the year ended 31 December 2015

6 Staff costs

	Group	
	2015	2014
	£	£
Wages and salaries	4,402,792	4,027,453
Holiday pay accrual	12,236	5,644
Social security costs	469,982	421,215
Defined contribution plan	65,564	39,266
	<u>4,950,574</u>	<u>4,493,578</u>

Average number of employees during the year

	Number	Number
Operations	83	88
Administration	48	45
	<u>131</u>	<u>133</u>

7 Interest payable

	Group	
	2015	2014
	£	£
Shareholders loans	340,316	357,358
Finance charges payable	623	2,195
Other interest	7,268	-
	<u>348,207</u>	<u>359,553</u>

8 Taxation

	Group	
	2015	2014
	£	£
Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the period	139,021	124,884
Adjustments in respect of previous periods	-	1,277
	<u>139,021</u>	<u>126,161</u>
Deferred tax:		
Origination and reversal of timing differences	(17,968)	(15,623)
	<u>(17,968)</u>	<u>(15,623)</u>
Tax on profit on ordinary activities	<u>121,053</u>	<u>110,538</u>

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2015	2014
	£	£
Profit on ordinary activities before tax	<u>3,332</u>	<u>66,448</u>
Standard rate of corporation tax in the UK	20%	22.5%
	£	£
multiplied by the standard rate of corporation tax	666	14,951
Effects of:		
Expenses not deductible for tax purposes	184,400	178,527
Capital allowances for period in excess of depreciation	40,167	17,854
Utilisation of tax losses	(86,212)	(86,448)
Adjustments to tax charge in respect of previous periods	-	1,277
	<u>139,021</u>	<u>126,161</u>
Total tax charge for period		

Statesman Travel Group Limited
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for the year ended 31 December 2015

9 Intangible fixed assets - Group	Goodwill £	Brand £	Customer lists £	Total £
Cost				
At 1 January 2015	8,563,516	-	-	8,563,516
Additions	-	60,000	412,751	472,751
At 31 December 2015	<u>8,563,516</u>	<u>60,000</u>	<u>412,751</u>	<u>9,036,267</u>
Amortisation				
At 1 January 2015	1,830,231	-	-	1,830,231
Provided during the year	420,181	12,500	17,198	449,879
At 31 December 2015	<u>2,250,412</u>	<u>12,500</u>	<u>17,198</u>	<u>2,280,110</u>
Carrying amount				
At 31 December 2015	<u>6,313,104</u>	<u>47,500</u>	<u>395,553</u>	<u>6,756,157</u>
At 31 December 2014	<u>6,733,285</u>	<u>-</u>	<u>-</u>	<u>6,733,285</u>

The intangible assets represent the acquisition of Commodore International Travel, the Greaves brand and associated customer lists. These are being written off in equal annual instalments of 20, 2 and 10 years respectively.

Amortisation of goodwill, brands and customer lists is included within administrative expenses in the consolidated statement of comprehensive income.

10 Tangible fixed assets - Group	Leasehold property £	Computer equipment £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 January 2015	483,530	660,489	26,000	148,745	1,318,764
Additions	-	61,660	30,405	1,453	93,518
Disposals	-	-	(26,000)	-	(26,000)
At 31 December 2015	<u>483,530</u>	<u>722,149</u>	<u>30,405</u>	<u>150,198</u>	<u>1,386,282</u>
Depreciation					
At 1 January 2015	240,563	492,149	22,967	136,643	892,322
Charge for the year	78,815	81,797	5,067	2,608	168,287
On disposals	-	-	(22,967)	-	(22,967)
At 31 December 2015	<u>319,378</u>	<u>573,946</u>	<u>5,067</u>	<u>139,251</u>	<u>1,037,642</u>
Carrying amount					
At 31 December 2015	<u>164,152</u>	<u>148,203</u>	<u>25,338</u>	<u>10,947</u>	<u>348,640</u>
At 31 December 2014	<u>242,967</u>	<u>168,340</u>	<u>3,033</u>	<u>12,102</u>	<u>426,442</u>

	2015 £	2014 £
Carrying value of motor vehicles included above held under finance lease contracts	<u>25,338</u>	<u>3,033</u>

Statesman Travel Group Limited
Notes to the Accounts
for the year ended 31 December 2015

11 Fixed Asset Investments

	Company Investments in subsidiary undertakings	Company Investments in subsidiary undertakings	Group Other investments
	£	£	£
Cost			
At 1 January 2015	798,840	2,870,871	2,124
Investment in subsidiary	100,000	-	-
At 31 December 2015	<u>898,840</u>	<u>2,870,871</u>	<u>2,124</u>

The company holds 20% or more of the share capital of the following companies:

Name of Company	% voting rights and shares held	Nature of business	Country of Incorporation	Capital and reserves £	Profit (loss) for the year £
Statesman Travel Ltd	100% of ordinary shares	Travel	UK	9,306,028	197,205
Statesman Travel (Leisure) Ltd	100% of ordinary shares	Travel	UK	228,255	42,147
Statesman Travel Logistics Ltd	100% of ordinary shares	Dormant	UK	22,371	-
Statesman Travel Management Ltd	100% of ordinary shares	Dormant	UK	239,491	-
Statesman TMC Ltd	100% of ordinary shares	Dormant	UK	53,236	-
Statesman Travel Services Ltd	100% of ordinary shares	Travel	UK	2,870,439	297,921
PTG Statesman Travel Ltd - joint venture (note 12)	50% of ordinary shares	Travel	UK	81,633	507

All the above Companies except PTG Statesman Travel Limited are registered at Senator House, 85 Queen Victoria Street, London, EC4V 4AB.

PTG Statesman Travel Limited is registered at St Nicholas House, St Nicholas Road, Sutton, Surrey, SM1 1EL.

Other Investments

	2015 £	2014 £
Statesman Travel Group Limited hold an investment in TSI	1,999	1,999
Statesman Travel Limited hold an investment in Advantage	<u>125</u>	<u>125</u>

12 Investment in - PTG Statesman Travel Ltd

	2015 £	2014 £
Share of current assets	<u>67,258</u>	<u>80,425</u>
Share of gross assets	<u>67,258</u>	<u>80,425</u>
Liabilities due within one year or less	<u>(26,242)</u>	<u>(29,663)</u>
Share of net assets	<u>41,016</u>	<u>50,762</u>

Statesman Travel Group Limited
Notes to the Accounts
for the year ended 31 December 2015

13 Debtors

	Company		Group	
	2015	2014	2015	2014
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	-	-	5,411,193	4,211,453
Amounts owed by subsidiary undertakings	3,567,191	2,810,947	-	-
Other debtors	-	-	103,955	159,092
Prepayments and accrued income	-	-	559,426	430,554
VAT	-	-	47,208	38,608
	<u>3,567,191</u>	<u>2,810,947</u>	<u>6,121,782</u>	<u>4,839,707</u>
Amounts due after more than one year:				
Other debtors	-	-	30,556	66,667
Amounts owed by subsidiary undertakings	<u>2,306,975</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>2,306,975</u>	<u>-</u>	<u>30,556</u>	<u>66,667</u>

Included within amounts owed by group undertakings are intercompany receivables of £NIL (2014: £2,810,947).
During 2015 Statesman Travel Limited had a loan payable balance with Statesman Travel Group Limited.

Included with amounts owed by subsidiary undertakings are intercompany receivables of £5,874,166 (2014: £Nil).
This is made up of a balance of £3,477,506 receivable from Statesman Travel Management Limited and £2,396,660 receivable from Statesman TMC Limited.

14 Creditors: amounts falling due within one year

	Company		Group	
	2015	2014	2015	2014
	£	£	£	£
Bank overdrafts	-	17,054	-	-
Trade creditors	-	-	5,929,932	4,277,001
Corporation tax	-	-	76,682	52,895
Other taxes and social security costs	-	-	128,385	121,146
Other creditors	-	-	147,770	104,676
Accruals and deferred income	-	-	518,276	668,710
	<u>-</u>	<u>17,054</u>	<u>6,801,045</u>	<u>5,224,428</u>

The company has an overdraft facility which is secured by a fixed and floating charge on the company's assets.

15 Creditors: amounts falling due after one year

	Company		Group	
	2015	2014	2015	2014
	£	£	£	£
Obligations under finance lease contracts	-	-	17,931	-
Amounts owed to subsidiary undertakings	3,767,091	-	-	-
Shareholders loans	<u>4,772,108</u>	<u>5,042,845</u>	<u>4,772,108</u>	<u>5,042,845</u>
	<u>8,539,199</u>	<u>5,042,845</u>	<u>4,790,039</u>	<u>5,042,845</u>

The Group has an overdraft facility which is secured by a fixed and floating charge on the Group's assets. The shareholders loans are maintained by the Company which ensures the Group has sufficient funds for operations and planned investment. There is no pressure on the business to repay these loans in the foreseeable future.
All loans and loan notes are subordinated to the CAA.

Included with amounts owed by group undertakings are intercompany payables of £3,667,091 (2014: £nil). The loan attracts interest of 4.1%, are unsecured and repayable in more than one year. This is made up of £3,667,091 payable to Statesman Travel Limited and £100,000 payable to Statesman Travel Management Limited.

Statesman Travel Group Limited
Notes to the Accounts
for the year ended 31 December 2015

16 Financial Instruments	2015	2014
	£	£
Financial assets		
Financial assets that are debt instruments measured at amortised cost	5,970,619	4,642,007
	<u>5,970,619</u>	<u>4,642,007</u>
Financial liabilities		
Financial liabilities measured at amortised cost	6,595,978	5,050,387
	<u>6,595,978</u>	<u>5,050,387</u>

Financial assets measured at amortised cost comprise trade debtors, intercompany debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, intercompany creditors, other creditors and accruals.

17 Obligations under finance leases	Company		Group	
	2015	2014	2015	2014
	£	£	£	£
The future minimum lease payments under non-cancellable finance leases are as follows:				
For leases expiring within one year	-	-	9,966	12,413
For leases expiring within two to five years	-	-	7,965	-
	<u>-</u>	<u>-</u>	<u>17,931</u>	<u>12,413</u>

The finance lease relate to a vehicle owned by the Group.

18 Deferred taxation	Company		Group	
	2015	2014	2015	2014
	£	£	£	£
Accelerated capital allowances	-	-	2,742	20,710
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
At 1 January	-	-	20,710	36,333
Credited to the profit and loss account	-	-	(17,968)	(15,623)
Charged to other comprehensive income	-	-	-	-
At 31 December	<u>-</u>	<u>-</u>	<u>2,742</u>	<u>20,710</u>

19 Share capital - Group and Company	Nominal value	2015 Number	2015 £	2014 £
Allotted called up and fully paid:				
A Ordinary shares	£1 each	206,015	206,015	206,015
B1 Ordinary shares	£1 each	12,118	12,118	12,118
B2 Ordinary shares	£1 each	500,000	500,000	500,000
			<u>718,133</u>	<u>718,133</u>

All categories of ordinary shares hold the same voting rights, however the following order of priority is applied to the shares in respect of the payment of any dividends or return of capital: A Ordinary shares, B1 Ordinary shares then B2 Ordinary shares.

20 Share premium	2015	2014
	£	£
At 1 January	1,469,367	1,469,367
At 31 December	<u>1,469,367</u>	<u>1,469,367</u>

Statesman Travel Group Limited
Notes to the Accounts
for the year ended 31 December 2015

21 Capital contribution reserves

	Company		Group	
	2015	2014	2015	2014
	£	£	£	£
At 1 January	-	-	-	798,840
Transfer of reserves	-	-	-	(798,840)
At 31 December	-	-	-	-

22 Treasury reserve

	Company		Group	
	2015	2014	2015	2014
	£	£	£	£
At 1 January	-	-	-	-
Transfer of reserves	(111,113)	-	(111,113)	-
At 31 December	(111,113)	-	(111,113)	-

23 Profit and loss account

	Company		Group	
	2015	2014	2015	2014
	£	£	£	£
At 1 January	(766,741)	(552,398)	789,082	833,172
Loss for the financial year	(225,065)	(214,343)	(117,721)	(44,090)
Transfer of reserves	20,097	-	20,097	-
At 31 December	(971,709)	(766,741)	691,458	789,082

24 Reserves

A description of each reserve is set out below.

Share capital

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

Share premium

The share premium account is used to record the aggregate amount or value of premiums paid when the company shares are issued at an amount in excess of nominal values.

Capital contribution reserve

This reserve relates to the cumulative revaluation of the intercompany loans.

Treasury Reserve

Relates to return of purchase of own shares.

Profit and loss account

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

Statesman Travel Group Limited
Notes to the Accounts
for the year ended 31 December 2015

25 Net cash used in operating activities - group	2015 £	2014 £
Profit after tax	(117,721)	(44,090)
Tax Charge	121,053	110,538
Gain on sale of fixed assets	(1,717)	-
Share of operating profit in joint ventures	(254)	(168)
Interest Payable	348,207	359,553
Interest Receivable	-	(9,522)
Depreciation Charge	168,287	176,037
Amortisation Charge	449,879	431,947
Increase in debtors	(1,245,964)	(163,835)
Increase in creditors	1,282,093	770,880
Cash used in continuing operations	1,003,863	1,631,340
Tax Paid	(115,234)	(152,349)
Net cash used in continuing operations	888,629	1,478,991

26 Other financial commitments

At the year end the Group and Company has lease agreements in respect of properties for an average of five years with fixed rentals over the lease. The future minimum lease payments under non-cancellable leases are as follows:

	Land and buildings Company	Land and buildings	Land and buildings Group	Land and buildings
	2015 £	2014 £	2015 £	2014 £
Falling due:				
within one year	-	-	336,499	352,130
within two to five years	-	-	692,419	1,065,319
	-	-	1,028,918	1,417,449

27 Share-based payment

During the period ended 31 December 2015, the Group had a share-based payment arrangement, which is described below:

Type of arrangement	General employee share option plan
Date of grant	30th November 2009
Number granted	46,200
Contractual life	10 years
Vesting conditions	Option may not be exercised after the option holder no longer holds employment with any member of the Group or has given or received notice of termination of employment with any members of the Group.

Further details of the share option plan are as follows:

	2015		2014	
	Number of options	Exercise Price £	Number of options	Exercise Price £
Outstanding at the start of the year	46,200	1	46,200	1
Granted	-	-	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Outstanding at the end of the year	46,200	1	46,200	1
Exercisable at the end of the year	-	-	-	-

Statesman Travel Group Limited
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28 Contingent liabilities

The Company has given its unlimited guarantee of amounts due from time to time by Statesman Travel Services Limited and Statesman Travel (Leisure) Limited to the Company's bankers, secured by a fixed and floating charge on the Company's assets in respect of which no amount was outstanding at 31 December 2015 (2014: nil).

29 Related party transactions

At the year end, the following loans were included within creditors due in more than one year:

	2015 £	2014 £
M J Williamson	1,196,168	1,221,765
J M Langley	946,390	1,031,500
BGF	2,309,244	3,109,886

BGF is due to be repaid by 31 December 2017, M J Williamson and J M Langley are both due to be repaid by 31 December 2020. These loans are subject to interest at 8%. Interest Payable for these loans for the year is as follows:

M J Williamson	85,545	79,954
J M Langley	69,814	66,289
BGF	184,956	205,943

At the year end, the following accrued interest remained outstanding:

M J Williamson	171,945	67,462
J M Langley	137,169	55,571
BGF	269,806	197,272

J M Langley and M J Williamson are directors of the Company. BGF is a shareholder of the Company.

30 Controlling party

The directors, J M Langley and M J Williamson are the ultimate controlling party of the Company.

31 Presentation currency

The financial statements are presented in Sterling.

32 Legal form of entity and country of incorporation

Statesman Travel Group Limited is a limited company incorporated in England and Wales.

33 Principal place of business

The address of the company's principal place of business and registered office is:

Senator House
85 Queen Victoria Street
London
EC4V 4AB

Statesman Travel Group Limited
Notes to the Accounts
for the year ended 31 December 2015

34 Reconciliations on adoption of FRS 102

These financial statements are Statesman Travel Group Limited's first financial statements that comply with FRS 102. The date of transition to FRS 102 was 1 January 2014.

The transition to FRS 102 has resulted in a small number of changes in accounting policies compared to those used previously.

The following tables describe the differences between the amounts presented previously under UK GAAP and as restated to comply with FRS 102:

Profit and loss for the year ended 31 December 2014		£
As reported under former UK GAAP		(54,615)
Revaluation of shareholders loans and interest at 2014		10,525
As reported under FRS 102		<u>(44,090)</u>
Reconciliation of equity		
	01-Jan-14 £	31-Dec-14 £
Equity under former UK GAAP	3,211,241	3,156,626
Revaluation of shareholders loans and interest prior to 1 January 2014	(190,569)	(190,569)
Revaluation of shareholders loans and interest prior to 31 December 2014	-	10,525
Equity under FRS 102	<u>3,020,672</u>	<u>2,976,582</u>

Notes

1. Revaluation of shareholders loans and interest - restatement at present value as at 1 January 2014.
2. Revaluation of shareholders loans and interest - restatement at present value as at 31 December 2014.