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Registered number
6258857

Statesman Travel Group Limited

Report and Accounts

31 December 2013



Statesman Travel Group Limited
Report and accounts
Contents

	Page
Company information	1
Strategic report	2 - 3
Directors' report	4
Statement of directors' responsibilities	5
Independent auditors' report	6
Consolidated profit and loss account	7
Consolidated balance sheet	8
Company balance sheet	9
Consolidated cash flow statement	10
Notes to the accounts	11 - 19

Statesman Travel Group Limited
Company Information

Directors

D Scowsill
E Brannan
J M Langley
M J Williamson
M Bernard

Secretary

M J Williamson

Auditors

Nexia Smith & Williamson
25 Moorgate
London
EC2R 6AY

Registered office

Senator House
85 Queen Victoria Street
London
EC4V 4AB

Registered number

6258857

Statesman Travel Group Limited

Strategic Report

Principal activities

The principal activity of the Company is that of a holding company for its associated undertakings which provide services in business travel management, events and specialised sales and will continue to do so in the future.

Business review

Statesman delivered another resilient performance given the often volatile markets the Group operates in. The continued client trend to use online booking tools increased our overall self-booking profile from 14.1% to 24.7%. 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 slightly below expectations, due to economic and political uncertainties, however the current global year prospects are encouraging. Total gross turnover grew by 4.99% to £93.7m as a result of significant increase in new business wins. Net revenue remained static at £7.5m due to the increase in rail and hotel business. EBITDA was down 14% at £1.2m due to continued investment in the business. The cash position in the Group increased 123% to £834k and net external debt was reduced by £867k to just £750k.

Measuring progress

Client services are regularly measured through the use of regular satisfaction surveys in accordance to agreed service level agreements. In 2013 these surveys resulted in 82% of our clients ranking our overall service from good to excellent. It is our determination to deliver excellent service and 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: £93.7m (2012: £89.2m)

Net revenue: £7.5m (2012: £7.5m)

EBITDA: 16.1% (2012: 18.9%)

Debtor days: 22.2 (2012: 23.3)

Net debt / EBITDA: 0.62 times (2012: 1.05 times)

Global reach

Our international network, 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 gross sales in excess of \$3.5bn, with our network 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

Future trading expectations

Statesman continues to invest in its technology platform which continues to improve customer satisfaction through booking efficiencies and traveller experience. The upgraded Statesmanager portal is even more widely used by its client base, leading to a higher adoption rate of online tools, helping maximise the value of their corporate travel budgets. Our overall client online adoption rate increased from 14.1% to 24.7% in 2013.

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

Statesman remains financially secure and well placed to grow significantly over the next 3 years. Our 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.

Financial risk management

Effective risk management is critical to achieving the Group'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.

The loan notes in the company ensure 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. Likewise the continued long-term backing of the Business Growth Fund (BGF) as a minority shareholder, adds to the Group's financial security. The BGF is an independent company with capital of up to £2.5 billion backed by five of the UK's main banking groups - Barclays, HSBC, Lloyds, RBS and Standard Chartered.

This strong cash position resulted in the company not using its overdraft facility at all during the year. 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.

This report was approved by the board on 16 June 2014 and signed by its order.



M J Williamson
Secretary

Statesman Travel Group Limited

Registered number: 6258857

Directors' Report

The directors present their report and accounts for the year ended 31 December 2013.

Dividends

The directors do not recommend the payment of a dividend (2012: nil).

Directors

The following persons served as directors during the year:

D Scowsill
E Brannan
J M Langley
M J Williamson
M Bernard

Subsequent events

The Group entered into a bank guarantee for £450,000. This would become payable should the Group not satisfy the terms and conditions of an agreement with Flynas Company LLC.

Political and charitable donations

During the period the Company made charitable contributions of £740 (2012: £320).

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.

Auditors

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

This report was approved by the board on 16 June 2014 and signed by its order.



M J Williamson
Secretary

Statesman Travel Group Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the report and accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts 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 accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and group and of the profit or loss of the group for that period. In preparing these accounts, 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 accounts;
- prepare the accounts 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 accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statesman Travel Group Limited
Independent auditors' 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 2013 which comprise the Consolidated Profit and Loss Account, the Consolidated and Parent Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes 1 to 27. 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).

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 Statement of Directors' Responsibilities, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts 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 financial statements

In our opinion the financial statements:

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

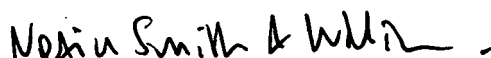
Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report and 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, 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 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.



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

25 Moorgate
London
EC2R 6AY

16 June 2014

Statesman Travel Group Limited
Consolidated Profit and Loss Account
for the year ended 31 December 2013

	Notes	2013 £	2012 £
Turnover	2	7,457,443	7,464,283
Administrative expenses		(6,912,628)	(6,543,784)
Operating profit	3	<u>544,815</u>	<u>920,499</u>
Share of operating profit in joint ventures		69,233	18,430
Interest receivable		8,050	14,654
Interest payable	6	(329,397)	(356,021)
Profit on ordinary activities before taxation		<u>292,701</u>	<u>597,562</u>
Tax on profit on ordinary activities	8	(154,040)	(246,024)
Profit for the financial year		<u>138,661</u>	<u>351,538</u>

Continuing operations

All activities are continuing.

Statement of total recognised gains and losses

The company has no recognised gains or losses other than the profit for the above two financial years.

Statesman Travel Group Limited
Consolidated Balance Sheet
as at 31 December 2013

	Notes	2013 £	2012 £
Fixed assets			
Intangible assets	9	7,165,232	7,589,660
Tangible assets	10	558,070	475,111
Investments	11	2,124	2,124
Investments in joint ventures:	12		
Share of gross assets		87,235	160,844
Share of gross liabilities		(36,641)	(69,483)
		<u>7,776,020</u>	<u>8,158,256</u>
Current assets			
Debtors	13	4,742,539	4,846,424
Cash at bank and in hand		<u>833,966</u>	<u>373,490</u>
		5,576,505	5,219,914
Creditors: amounts falling due within one year	14	<u>(5,133,865)</u>	<u>(4,783,145)</u>
Net current assets		<u>442,640</u>	<u>436,769</u>
Total assets less current liabilities		8,218,660	8,595,025
Creditors: amounts falling due after more than one year	15	(4,971,086)	(5,462,830)
Provisions for liabilities			
Deferred taxation	17	(36,333)	(4,615)
Net assets		<u>3,211,241</u>	<u>3,127,580</u>
Capital and reserves			
Called up share capital	18	718,133	718,133
Share premium		1,469,367	1,469,367
Profit and loss account	19	1,023,741	940,080
Shareholders' funds	20	<u>3,211,241</u>	<u>3,127,580</u>

M J Williamson

Director

Approved by the board on 16 June 2014

Statesman Travel Group Limited
Company Balance Sheet
as at 31 December 2013

	Notes	2013 £	2012 £
Fixed assets			
Investments	11	<u>2,870,871</u>	<u>2,870,871</u>
		2,870,871	2,870,871
Current assets			
Debtors (including £3,775,973 (2012: £4,575,586) falling due after more than one year))	13	<u>4,536,958</u>	<u>5,347,820</u>
		4,536,958	5,347,820
Creditors: amounts falling due within one year	14	<u>(750,000)</u>	<u>(750,000)</u>
Net current assets		<u>3,786,958</u>	<u>4,597,820</u>
Total assets less current liabilities		6,657,829	7,468,691
Creditors: amounts falling due after more than one year	15	<u>(5,231,917)</u>	<u>(5,704,139)</u>
Net assets		<u>1,425,912</u>	<u>1,764,552</u>
Capital and reserves			
Called up share capital	18	718,133	718,133
Share premium		1,469,367	1,469,367
Profit and loss account	19	(761,588)	(422,948)
Shareholders' funds	20	<u>1,425,912</u>	<u>1,764,552</u>

M J Williamson

Director

Approved by the board on 16 June 2014

Statesman Travel Group Limited
Consolidated Cash Flow Statement
for the year ended 31 December 2013

	Notes	2013 £	2012 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		544,815	920,499
Depreciation and amortisation		589,648	507,881
Decrease/(increase) in debtors		103,885	(287,252)
Increase/(decrease) in creditors		685,727	(811,050)
Net cash inflow from operating activities		1,924,075	330,078
CASH FLOW STATEMENT			
Net cash inflow from operating activities		1,924,075	330,078
Dividends from joint ventures		55,000	-
Returns on investments and servicing of finance	21	(321,347)	(341,367)
Taxation		(62,882)	(513,274)
Capital expenditure	21	(248,179)	(465,604)
		1,346,667	(990,167)
Financing	21	(769,523)	(725,813)
Increase/(decrease) in cash		577,144	(1,715,980)
Reconciliation of net cash flow to movement in net debt			
Increase/(decrease) in cash in the period		577,144	(1,715,980)
Decrease in debt and lease financing		769,523	725,813
Change in net debt	22	1,346,667	(990,167)
Net debt at 1 January	22	(4,087,614)	(3,097,447)
Net debt at 31 December	22	(2,740,947)	(4,087,614)

Statesman Travel Group Limited
Notes to the Accounts
for the year ended 31 December 2013

1 Accounting policies

The financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practices. A summary of the more important accounting policies adopted are described below.

Basis of preparation

The accounts have been prepared under the historical cost convention.

Going concern

After making enquiries, the directors have a reasonable expectation that the company have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they adopt the going concern basis in preparing the financial statements.

Basis of consolidation

The group consolidate the accounts of Statesman Travel Limited and all its subsidiary undertakings drawn up to 31 December 2013. The results of subsidiaries acquired or disposed of during the period are included in the consolidated profit and loss account from the effective date of acquisition or up to the date of disposal, as appropriate. Acquisitions are accounted for under the acquisitions method. No profit and loss account is presented for Statesman Travel Limited as permitted by section 408(3) of the Companies Act 2006.

Turnover

Revenue represents commissions earned on flight, hotel, package and other travel related sales. Revenue from the sale of travel services is recorded when the company has fulfilled all of the obligations of the bookings. Revenue not generated directly from the issuing of travel documents is recognised in accordance with contractual agreements. Having considered the nature of the business the Directors believe the Company to act as agents.

Depreciation

Fixtures and fittings, motor vehicle and office furniture and equipment are depreciated on a straight line basis at the under mentioned rates per annum, estimated to write-off the cost of the assets over their useful lives.

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

The carrying value of fixed assets investments are reviewed for impairment in periods, if events or changes in circumstances indicate that the carrying value may not be recoverable.

Fixed asset investment

The carrying value of fixed assets investments are reviewed for impairment in periods, if events or changes in circumstances indicate that the carrying value may not be recoverable.

Deferred taxation

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes. Deferred taxation is calculated on an un-discounted basis at the tax rates which are expected to apply in the periods when the timing differences will reverse.

Share based payments

The cost of share based employee compensation arrangements, whereby employees receive remuneration in the form of shares or share options, is recognised as an employee benefit expense in the profit and loss account. The expense to be apportioned over the vesting period of the benefit is determined by reference to the fair value at the date of grant. The total expense of the grant is adjusted subsequently to reflect the expected quantity of shares or share options achieving the vesting period.

Statesman Travel Group Limited
Notes to the Accounts
for the year ended 31 December 2013

1 Accounting policies (continued)

Operating leases

Rental costs under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, 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, which is 20 years. Goodwill is reviewed annually for impairment.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2 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	
	2013	2012
	£	£
Gross turnover	93,672,798	89,227,928
Cost of sales	<u>(86,215,355)</u>	<u>(81,763,645)</u>
	<u>7,457,443</u>	<u>7,464,283</u>

3 Consolidated operating profit

	Group	
	2013	2012
	£	£
This is stated after charging/(crediting):		
Depreciation of owned fixed assets	165,220	80,458
Amortisation of goodwill	424,428	427,423
Operating lease rentals - land buildings	352,130	112,625
Auditors' remuneration for audit services	35,000	35,000
Auditors' remuneration for other services	<u>4,860</u>	<u>4,715</u>

Statesman Travel Group Limited
Notes to the Accounts
for the year ended 31 December 2013

4 Directors' emoluments

	Group	
	2013	2012
	£	£
Emoluments	445,500	433,625
Benefits	6,498	7,325
Company contributions to money purchase pension schemes	13,800	13,406
	<u>465,798</u>	<u>454,356</u>
Highest paid director: Emoluments	<u>125,000</u>	<u>125,000</u>

Number of directors in company pension schemes:

	2013	2012
	Number	Number
Money purchase schemes	<u>3</u>	<u>3</u>

5 Staff costs

	Group	
	2013	2012
	£	£
Wages and salaries	4,010,854	3,897,272
Social security costs	409,575	391,378
Other pension costs	37,314	39,679
	<u>4,457,743</u>	<u>4,328,329</u>

Average number of employees during the year

	Number	Number
Administration	45	37
Development	81	83
	<u>126</u>	<u>120</u>

6 Interest payable

	Group	
	2013	2012
	£	£
Bank loans and overdrafts	325,399	354,467
Finance charges payable	3,998	1,554
	<u>329,397</u>	<u>356,021</u>

7 Profit/(loss) attributable to shareholders

In accordance with the exemption allowed by Section 408(3) of the Companies Act 2006, the company has not presented its own profit and loss account.

Of the profit for the period attributable to shareholders of the group, a loss for the year ended of £338,640 (2012: loss £369,822) is dealt with in the accounts of the company.

Statesman Travel Group Limited
Notes to the Accounts
for the year ended 31 December 2013

8 Taxation

	Group	
	2013	2012
	£	£
Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the period	122,322	242,641
Deferred tax:		
Origination and reversal of timing differences	31,718	3,383
	<u>154,040</u>	<u>246,024</u>
Tax on profit on ordinary activities		

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:

	2013	2012
	£	£
Profit on ordinary activities before tax	<u>292,701</u>	<u>597,562</u>
Standard rate of corporation tax in the UK	23%	26%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	67,321	155,366
Effects of:		
Expenses not deductible for tax purposes	96,076	87,275
Capital allowances for period in excess of depreciation	(28,425)	-
Dividends received	(12,650)	-
	<u>122,322</u>	<u>242,641</u>
Current tax charge for period		

9 Intangible fixed assets - Group

	Group
	£
Goodwill:	
Cost	
At 1 January 2013	<u>8,563,516</u>
At 31 December 2013	<u>8,563,516</u>
Amortisation	
At 1 January 2013	973,856
Provided during the year	<u>424,428</u>
At 31 December 2013	<u>1,398,284</u>
Net book value	
At 31 December 2013	<u>7,165,232</u>
At 31 December 2012	<u>7,589,660</u>

Goodwill is being written off in equal annual instalments over its estimated economic life of 20 years.

Statesman Travel Group Limited
Notes to the Accounts
for the year ended 31 December 2013

10 Tangible fixed assets - Group	Leasehold property £	Computer equipment £	Motor Vehicles £	Fixtures and fittings £	Total £
Cost					
At 1 January 2013	392,412	461,325	57,160	137,091	1,047,988
Additions	91,118	145,407	-	11,654	248,179
At 31 December 2013	<u>483,530</u>	<u>606,732</u>	<u>57,160</u>	<u>148,745</u>	<u>1,296,167</u>
Depreciation					
At 1 January 2013	87,147	349,377	23,473	112,880	572,877
Charge for the year	73,002	67,281	11,432	13,505	165,220
At 31 December 2013	<u>160,149</u>	<u>416,658</u>	<u>34,905</u>	<u>126,385</u>	<u>738,097</u>
Net book value					
At 31 December 2013	<u>323,381</u>	<u>190,074</u>	<u>22,255</u>	<u>22,360</u>	<u>558,070</u>
At 31 December 2012	<u>305,265</u>	<u>111,948</u>	<u>33,687</u>	<u>24,211</u>	<u>475,111</u>
				2013 £	2012 £
Net book value of motor vehicles above are held under finance leases and hire purchase contracts.				<u>22,255</u>	<u>33,687</u>

11 Investments

	Company Investments in subsidiary undertakings £	Group Other investments £
Cost		
At 1 January 2013	2,870,871	2,124
At 31 December 2013	<u>2,870,871</u>	<u>2,124</u>

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

Company	Shares held Class	%	Capital and reserves £	Profit (loss) for the year £
Statesman Travel Ltd	Ordinary	100	2,726,609	606,635
Statesman Travel (Leisure) Ltd	Ordinary	100	162,809	97,765
Statesman Travel Logistics Ltd (Formerly Statesman Travel Services Ltd)	Ordinary	100	22,371	-
Statesman Travel Management	Ordinary	100	239,490	-
Statesman TMC Ltd	Ordinary	100	53,236	-
PTG Statesman Travel Ltd - joint venture (note 12)	Ordinary	50	100,881	28,558
Statesman Travel Services Ltd (Formerly Commodore International Travel Ltd)	Ordinary	100	2,247,322	227,662
Other investments			2013 £	2012 £
Listed investments			<u>2,124</u>	<u>2,124</u>

Statesman Travel Group Limited
Notes to the Accounts
for the year ended 31 December 2013

12 Investment in joint ventures - PTG Statesman Travel Ltd	2013	2012
	£	£
Share of current assets	87,235	160,844
Share of gross assets	87,235	160,844
Liabilities due within one year or less	(36,641)	(69,483)
Share of net assets	50,594	91,361

13 Debtors	Company		Group	
	2013	2012	2013	2012
	£	£	£	£
Trade debtors	-	-	4,289,853	4,290,131
Amounts owed by group	4,525,973	5,325,586	-	-
Other debtors	-	-	65,328	71,430
Prepayments and accrued income	10,985	22,234	331,206	353,041
VAT	-	-	56,152	131,822
	<u>4,536,958</u>	<u>5,347,820</u>	<u>4,742,539</u>	<u>4,846,424</u>

Included within the amounts due by group undertakings is an amount of £3,775,973 (2012: £4,575,586) which is due after more than one year.

14 Creditors: amounts falling due within one year	Company		Group	
	2013	2012	2013	2012
	£	£	£	£
Bank loans and overdrafts	750,000	750,000	750,000	866,668
Trade creditors	-	-	3,482,782	3,201,672
Corporation tax	-	-	79,083	19,643
Other taxes and social security costs	-	-	110,291	120,610
Other creditors	-	-	173,333	31,297
Accruals and deferred income	-	-	538,376	543,255
	<u>750,000</u>	<u>750,000</u>	<u>5,133,865</u>	<u>4,783,145</u>

15 Creditors: amounts falling due after one year	Company		Group	
	2013	2012	2013	2012
	£	£	£	£
Obligations under finance lease	-	-	12,413	31,936
Bank loans	-	750,000	-	750,000
Loan Notes	2,812,500	2,812,500	2,812,500	2,812,500
Amounts owed to group	273,245	273,245	-	-
Shareholders loans	1,730,000	1,730,000	1,730,000	1,730,000
Accruals and deferred income	416,172	138,394	416,173	138,394
	<u>5,231,917</u>	<u>5,704,139</u>	<u>4,971,086</u>	<u>5,462,830</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.

Statesman Travel Group Limited
Notes to the Accounts
for the year ended 31 December 2013

16 Finance leases

The net finance lease obligations to which the company are committed are:

	Company		Group	
	2013	2012	2013	2012
	£	£	£	£
Amounts payable:				
Within two to five years	-	-	12,413	31,936

17 Deferred taxation

	Company		Group	
	2013	2012	2013	2012
	£	£	£	£
Accelerated capital allowances	-	-	36,333	4,615
Undiscounted provision for deferred tax	-	-	36,333	4,615
	2013	2012	2013	2012
	£	£	£	£
At 1 January	-	-	4,615	1,232
Deferred tax charge in profit and loss account	-	-	31,718	3,383
At 31 December	-	-	36,333	4,615

18 Share capital

	Nominal value	2013 Number	2013 £	2012 £
Allotted, called up and fully paid:				
Ordinary shares	£1 each	718,133	718,133	718,133

19 Reserves

	Share Premium account		Profit and loss account	
	Group	Company	Group	Company
	£	£	£	£
At 1 January 2013	1,469,367	1,469,367	940,080	(422,948)
Profit/(loss) for the financial year	-	-	138,661	(338,640)
Dividends from joint venture	-	-	(55,000)	-
At 31 December 2013	1,469,367	1,469,367	1,023,741	(761,588)

20 Reconciliation of movement in shareholders' funds

	Company		Group	
	2013	2012	2013	2012
	£	£	£	£
At 1 January	1,764,552	2,134,374	3,127,580	2,776,042
Profit for the financial year	(338,640)	(369,822)	138,661	351,538
Dividends	-	-	(55,000)	-
At 31 December	1,425,912	1,764,552	3,211,241	3,127,580

Statesman Travel Group Limited
Notes to the Accounts
for the year ended 31 December 2013

21 Gross cash flows	2013	2012
	£	£
Returns on investments and servicing of finance		
Interest received	8,050	14,654
Interest paid	(325,399)	(354,467)
Interest element of finance lease rental payments	(3,998)	(1,554)
	<u>(321,347)</u>	<u>(341,367)</u>
Capital expenditure		
Payments to acquire tangible fixed assets	(248,179)	(390,533)
	<u>(248,179)</u>	<u>(390,533)</u>
Financing		
Loan repayments	(750,000)	(716,250)
Capital element of finance lease rental payments	(19,523)	(9,563)
	<u>(769,523)</u>	<u>(725,813)</u>

22 Analysis of changes in net debt

	At 1 Jan 2013	Cash flows	At 31 Dec 2013
	£	£	£
Cash at bank and in hand	373,490	460,476	833,966
Overdrafts	(116,668)	116,668	-
Debt due within 1 year	(750,000)	-	(750,000)
Debt due after 1 year	(3,562,500)	750,000	(2,812,500)
Finance leases	(31,936)	19,523	(12,413)
Total	<u>(4,087,614)</u>	<u>1,346,667</u>	<u>(2,740,947)</u>

23 Other financial commitments

At the year end the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings Company	Land and buildings Company	Land and buildings Group	Land and buildings Group
	2013	2012	2013	2012
	£	£	£	£
Operating leases which expire: in over five years	-	-	352,130	272,130
	<u>-</u>	<u>-</u>	<u>352,130</u>	<u>272,130</u>

Statesman Travel Group Limited
Notes to the Accounts
for the year ended 31 December 2013

24 Share-based payment

During the period ended 31st December 2013, 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:

	2013		2012	
	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	-	-	-	-

25 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 (2012 - nil) was outstanding at 31st December 2013.

26 Related party transactions

There were nil dividends paid in the year (2012: nil). During the year Mervyn Williamson and Jon Langley, directors of the Company, were entitled to receive loan note interest of £63,062 (2012: £62,045) and £52,284 (2012: £51,441) respectively, of which £63,062 (2012: £31,921) and £52,284 (2012: £25,861) is outstanding at year end. Likewise BGF a shareholder of the Company was entitled to receive interest of £162,432 (2012: £159,812), of which £162,432 (2012: £80,343) is outstanding at year end.

27 Ultimate controlling party

The directors, Jon Langley and Mervyn Williamson are the ultimate controlling party of the company.

28 Subsequent events

On 18th March 2014 the Group entered into a bank guarantee for £450,000. This would become payable should the Group not satisfy the terms and conditions of an agreement with Flynas Company LLC.