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Registered number
06856368

Truly Travel Limited
Report and Accounts
31 October 2015

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Truly Travel Limited
Report and accounts
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Truly Travel Limited
Company Information

Directors

S K Edara
P Panteli

Secretary

J P Secretarial Services Limited

Auditors

White Hart Associates (London) Limited
Chartered Accountants and Statutory Auditors
East House
109 South Worple Way
London
SW14 8TN

Bankers

HSBC Bank Plc
26-28 St Ann's Road
Harrow
Middlesex
HA1 1AL

National Westminster Bank Plc
Piccadilly & New Bond Street Branch
63 - 65 Piccadilly
London
W1J OAJ

Barclays Bank plc
Building 315
Heathrow Airport
Hounslow
Middx TW6 2JJ

Registered office

East House
109 South Worple Way
London
SW14 8TN

Registered number

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Truly Travel Limited**Registered number:**

06856368

Directors' Report

The directors present their report and accounts for the year ended 31 October 2015.

Principal activities

The company's principal activity during the year continued to be that of a travel agent. The company is a member of the Travel Trust Association ("TTA") and holds a flight-plus T-ATOL (Air Travel Organisers Licence) granted by the Civil Aviation Authority.

Future developments

The UK market conditions are expected to remain challenging, but the company prospects are good, bookings remain strong and the directors are confident of controlled growth in 2016. While growing the business the directors will continue to review its fixed and variable costs with a view to implementing efficiencies to its operations wherever practical and possible.

Research and development

Research and development work continues and accelerated in this year in relation to the company's software architecture. The company's growth is dependent on the investment in cutting edge technology and the ability to deliver fast, innovative and effective search results for customers. During the year the company undertook a number of projects in relation to this development. All development costs were treated as expenditure in the company's profit and loss account and not capitalised.

Dividends

The directors do not recommend the payment of a final dividend.

Directors

The following persons served as directors during the year:

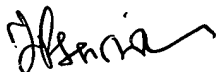
S K Edara
P Panteli

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 report was approved by the board on 22 December 2015 and signed by its order.



J Psarias for and on behalf of J P Secretarial Services Limited
Secretary

Truly Travel 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 of the profit or loss of the company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Truly Travel Limited

Strategic Report

Review of the business

Despite a highly competitive market existing in the UK, the company's continued investment in technology, brand and range of holidays has seen a strong sales growth in the year. The total gross commissions earned by the company grew by 18% on the prior year. The company's profit before tax was £2,328,194 as compared to £2,116,156 in 2014.

The key performance indicators used by the directors to monitor the progress of the company are set out below:-

	2015	2014
Total transaction value (TTV)	134,359,840	115,890,447
Gross Commissions	14,174,739	12,021,081
Gross Commissions as a percentage of TTV	10.55%	10.37%
Profit on ordinary activities	2,328,194	2,116,156
Profit on ordinary activities as a percentage of TTV	1.73%	1.83%

The directors consider the results to be satisfactory given the exceptional nature of some of the factors the company has faced during the period.

Principal risks and uncertainties

The company has identified a number of risks and uncertainties that could potentially damage the current business model and further growth opportunities.

- **Market risks** - The principal risks and uncertainties continue to be economic. Pressures on disposable income in the UK and the austerity measures imposed in key destination markets continue to impact buying decisions and have increased the level of consumer uncertainty. The travel industry remains highly competitive and is exposed to changes in consumer buying patterns with increased usage of the internet and mobile devices in purchasing holidays and travel arrangements. The company continues to focus on its distribution channels, service, offering and the opportunities that are arising from the dynamic and uncertain environment. There is continuing pressure from suppliers to reduce the margins third parties can earn, as they seek to increasingly control their distribution.

- **Information technology** - The company is heavily reliant upon information technology. Investment is made to ensure that the company has advanced and efficient systems in place but there is a risk if there were a major failure - particularly if it were to affect its website. Procedures are in place to minimise the time to rectify such a failure.

- **Commercial relationships** - The company has well established and close relationships with suppliers and risk is spread by not placing over-reliance on any one supplier in any particular area. However, if a relationship were lost or damaged with a major supplier this could have a detrimental effect on the business. The management team meets regularly with suppliers to maintain good working relationships and to understand the supplier's financial position.

Truly Travel Limited

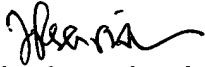
Strategic Report

Principal risks and uncertainties (continued)

- Commercial risks - The company's trading performance can be affected by environmental factors , which include :

- acts of terrorism, particularly in key tourist destinations
- natural disasters in key tourist destinations
- weather conditions, both in the UK and in key tourist destinations
- health epidemics in key tourist destinations
- increases in government taxes in both UK and overseas
- wars or other international incidents which affect air or sea travel

This report was approved by the board on 22 December 2015 and signed on its behalf.



J Psarias for and on behalf of J P Secretarial Services Limited
Secretary

Truly Travel Limited
Independent auditors' report
to the member of Truly Travel Limited

We have audited the accounts of Truly Travel Limited for the year ended 31 October 2015 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses 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).

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 auditors' 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 Auditing Practices Board'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 APB'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 company's affairs as at 31 October 2015 and of its 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 the Strategic Report for the financial year for which the accounts are prepared is consistent with the accounts.

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 accounts 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.



Ms N A Spoor ACA FCCA

(Senior Statutory Auditor)

for and on behalf of

White Hart Associates (London) Limited

Chartered Accountants and Statutory Auditors

22 December 2015

East House

109 South Worple Way

London

SW14 8TN

Truly Travel Limited
Profit and Loss Account
for the year ended 31 October 2015

	Notes	2015 £	2014 £
Total Transaction Value ("TTV")		<u>134,359,840</u>	<u>115,890,447</u>
Turnover	2	14,174,739	12,021,081
Distribution costs		(7,204,144)	(5,717,376)
Administrative expenses		(4,999,888)	(4,287,873)
Other operating income		357,378	99,954
Operating profit	3	<u>2,328,085</u>	<u>2,115,786</u>
Interest receivable		109	370
Profit on ordinary activities before taxation		<u>2,328,194</u>	<u>2,116,156</u>
Tax on profit on ordinary activities	6	(212,908)	(419,997)
Profit for the financial year		<u>2,115,286</u>	<u>1,696,159</u>

Continuing operations

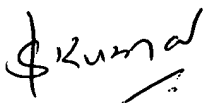
None of the company's activities were acquired or discontinued during the above two financial years.

Truly Travel Limited
Statement of total recognised gains and losses
for the year ended 31 October 2015

	Notes	2015 £	2014 £
Profit for the financial year		2,115,286	1,696,159
Total recognised gains and losses related to the year		<u>2,115,286</u>	<u>1,696,159</u>

Truly Travel Limited
Balance Sheet
as at 31 October 2015

	Notes	2015 £	2014 £
Fixed assets			
Intangible assets	7	226,255	332,339
Tangible assets	8	<u>9,395</u>	<u>12,723</u>
		235,650	345,062
Current assets			
Debtors	9	6,038,328	3,680,224
Cash at bank and in hand		<u>2,080,626</u>	<u>1,401,057</u>
		8,118,954	5,081,281
Creditors: amounts falling due within one year	10	(3,132,442)	(2,318,976)
Net current assets		<u>4,986,512</u>	<u>2,762,305</u>
Total assets less current liabilities		<u>5,222,162</u>	<u>3,107,367</u>
Creditors: amounts falling due after more than one year	11	(500,000)	(500,000)
Provisions for liabilities			
Deferred taxation	12	(1,085)	(1,576)
Net assets		<u>4,721,077</u>	<u>2,605,791</u>
Capital and reserves			
Called up share capital	13	99	99
Profit and loss account	14	4,720,978	2,605,692
Shareholder's funds	15	<u>4,721,077</u>	<u>2,605,791</u>



S K Edara esq

Director

Approved by the board on 22 December 2015

Truly Travel Limited
Cash Flow Statement
for the year ended 31 October 2015

	Notes	2015 £	2014 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		2,328,085	2,115,786
Depreciation and amortisation		118,827	166,657
Increase in debtors		(2,358,104)	(2,122,948)
Increase in creditors		996,589	770,134
Net cash inflow from operating activities		1,085,397	929,629
CASH FLOW STATEMENT			
Net cash inflow from operating activities		1,085,397	929,629
Returns on investments and servicing of finance	16	109	370
Taxation		(396,522)	(43,848)
Capital expenditure	16	(9,415)	(79,770)
		679,569	806,381
Increase in cash		679,569	806,381
Reconciliation of net cash flow to movement in net debt			
Increase in cash in the period		679,569	806,381
Change in net debt	17	679,569	806,381
Net funds at 1 November		1,401,057	594,676
Net funds at 31 October		2,080,626	1,401,057

Truly Travel Limited
Notes to the Accounts
for the year ended 31 October 2015

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards.

Turnover

Turnover represents the net commission earned in respect of holiday and travel arrangement sales, net of value added tax and discounts, recognised on the date of booking basis.

Total transaction value ("TTV") - TTV is the total gross sales amount received in respect of the sale of the holiday and travel arrangement sales for the year. Application Note G to FRS5 requires the statutory turnover to be the net commission earned.

Trade debtors still represent the gross amount receivable in respect of the sales of holiday accommodation and travel arrangements, and the trade creditors still represent the amounts payable in respect of purchase of holiday accommodation and travel arrangements, less any amounts held in the TTA Trust Account.

Turnover is attributable to one activity.

Depreciation

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

Plant and machinery	33.33% straight line
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Intangible fixed asset

Goodwill is the difference between amounts on the acquisition of a business and the fair value of the separable net assets. Intangible assets with an indefinite useful life are tested for impairment at each balance sheet date. Goodwill is amortised to the profit and loss account over its estimated economic life of five years.

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 tax is calculated at the tax rates which are expected to apply in the periods when the timing differences will reverse, and discounted to reflect the time value of money using rates based on the post-tax yields to maturity that could be obtained at the balance sheet date on government bonds with similar maturity dates.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Truly Travel Limited
Notes to the Accounts
for the year ended 31 October 2015

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.

Advertising and PR

As the company recognises turnover and gross margin based upon the date of booking, all advertising and PR is written off to the profit and loss account as and when incurred.

2 Analysis of turnover	2015	2014
	£	£
By activity:		
Sole principal activity - travel agent	<u>14,174,739</u>	<u>12,021,081</u>
By geographical destination:		
UK	178,100	33,558
Europe	11,410,021	9,759,734
North America	767,775	659,006
Rest of world	<u>1,818,843</u>	<u>1,568,783</u>
	<u>14,174,739</u>	<u>12,021,081</u>
3 Operating profit	2015	2014
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	12,743	14,575
Amortisation of goodwill	106,084	152,082
Auditors' remuneration for audit services	<u>20,000</u>	<u>19,000</u>
4 Directors' emoluments	2015	2014
	£	£
Emoluments	<u>143,962</u>	<u>113,802</u>
Highest paid director:		
Emoluments	<u>100,942</u>	<u>71,056</u>

Truly Travel Limited
Notes to the Accounts
for the year ended 31 October 2015

5 Staff costs

	2015	2014
	£	£
Wages and salaries	724,704	525,783
Social security costs	73,283	52,611
	<u>797,987</u>	<u>578,394</u>

Average number of employees during the year

	Number	Number
Administration	5	3
Distribution	14	8
Sales	3	3
	<u>22</u>	<u>14</u>

Truly Travel Limited
Notes to the Accounts
for the year ended 31 October 2015

6 Taxation	2015	2014
	£	£
Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the period	304,040	475,098
Adjustments in respect of previous periods	(90,641)	(55,275)
	<u>213,399</u>	<u>419,823</u>
Deferred tax:		
Origination and reversal of timing differences	(491)	174
	<u>212,908</u>	<u>419,997</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:

	2015	2014
	£	£
Profit on ordinary activities before tax	<u>2,328,194</u>	<u>2,116,156</u>
Standard rate of corporation tax in the UK	20.00%	21.00%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	465,639	444,393
Effects of:		
Expenses not deductible for tax purposes	10,396	29,796
Capital allowances for period in excess of depreciation	501	909
Adjustments to tax charge in respect of previous periods	(90,641)	(55,275)
Research and development relief	(172,496)	-
Current tax charge for period	<u>213,399</u>	<u>419,823</u>

Truly Travel Limited
Notes to the Accounts
for the year ended 31 October 2015

7 Intangible fixed assets	£
Goodwill:	
Cost	
At 1 November 2014	530,421
At 31 October 2015	<u>530,421</u>
Amortisation	
At 1 November 2014	198,082
Provided during the year	<u>106,084</u>
At 31 October 2015	<u>304,166</u>
Net book value	
At 31 October 2015	<u>226,255</u>
At 31 October 2014	<u>332,339</u>

Goodwill is being written off in equal annual instalments over its estimated economic life of 5 years.

8 Tangible fixed assets			
	Plant and machinery £	Fixtures, fittings, tools and equipment £	Total £
Cost			
At 1 November 2014	31,850	27,005	58,855
Additions	<u>9,415</u>	<u>-</u>	<u>9,415</u>
At 31 October 2015	<u>41,265</u>	<u>27,005</u>	<u>68,270</u>
Depreciation			
At 1 November 2014	24,126	22,006	46,132
Charge for the year	<u>8,712</u>	<u>4,031</u>	<u>12,743</u>
At 31 October 2015	<u>32,838</u>	<u>26,037</u>	<u>58,875</u>
Net book value			
At 31 October 2015	<u>8,427</u>	<u>968</u>	<u>9,395</u>
At 31 October 2014	<u>7,724</u>	<u>4,999</u>	<u>12,723</u>

9 Debtors	2015 £	2014 £
Trade debtors	5,468,159	3,174,121
Other debtors	524,092	473,759
Prepayments and accrued income	<u>46,077</u>	<u>32,344</u>
	<u>6,038,328</u>	<u>3,680,224</u>

Truly Travel Limited
Notes to the Accounts
for the year ended 31 October 2015

10 Creditors: amounts falling due within one year	2015	2014
	£	£
Trade creditors	2,572,668	1,655,385
Corporation tax	291,975	475,098
Other taxes and social security costs	20,762	18,147
Accruals and deferred income	247,037	170,346
	<u>3,132,442</u>	<u>2,318,976</u>

11 Creditors: amounts falling due after one year	2015	2014
	£	£
Other creditors	<u>500,000</u>	<u>500,000</u>

The above shareholder's loan is subject to a subordinated undertaking in favour of the Civil Aviation Authority and cannot be repaid without their prior written consent.

12 Deferred taxation	2015	2014
	£	£
Accelerated capital allowances	<u>1,085</u>	<u>1,576</u>
Undiscounted provision for deferred tax	1,085	1,576

	2015	2014
	£	£
At 1 November	1,576	1,402
Deferred tax charge in profit and loss account	(491)	174
At 31 October	<u>1,085</u>	<u>1,576</u>

13 Share capital	Nominal value	2015 Number	2015	2014
			£	£
Allotted, called up and fully paid:				
Ordinary shares	£1 each	99	<u>99</u>	<u>99</u>

14 Profit and loss account	2015
	£
At 1 November 2014	2,605,692
Profit for the financial year	2,115,286
At 31 October 2015	<u>4,720,978</u>

Truly Travel Limited
Notes to the Accounts
for the year ended 31 October 2015

15 Reconciliation of movement in shareholder's funds	2015	2014
	£	£
At 1 November	2,605,791	909,632
Profit for the financial year	2,115,286	1,696,159
At 31 October	<u>4,721,077</u>	<u>2,605,791</u>

16 Gross cash flows	2015	2014
	£	£
Returns on investments and servicing of finance		
Interest received	<u>109</u>	<u>370</u>
Capital expenditure		
Payments to acquire intangible fixed assets	-	(70,421)
Payments to acquire tangible fixed assets	<u>(9,415)</u>	<u>(9,349)</u>
	<u>(9,415)</u>	<u>(79,770)</u>

17 Analysis of changes in net debt	At 1 Nov	Cash flows	Non-cash	At 31 Oct
	2014		changes	2015
	£	£	£	£
Cash at bank and in hand	1,401,057	<u>679,569</u>		2,080,626
Total	<u>1,401,057</u>	<u>679,569</u>	<u>-</u>	<u>2,080,626</u>

18 Cash at bank

The company is a member of the Travel Trust Association ("TTA") and utilises the TTA trust structure in order to protect consumer funds in accordance with the Package Travel Regulations.

As at 31 October 2015 the sum of £2,506,482 (2014 - £1,650,404) was held in the TTA consumer trust account to be released based upon a set of rules agreed with the TTA which provide full consumer protection.

19 Ultimate controlling party

The ultimate controlling party is Mr S K Edara, a director, by virtue of his beneficial ownership of the entire issued share capital in the company.