Reg.

Company Registration No. SC202170 (England and Wales)

DUTTON MOORE
Chartered Accountants & Business Advisers

JOURNEYCALL LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2014

SATURDAY
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A12 25/04/2015 #333
COMPANIES HOUSE

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JOURNEYCALL LIMITED

COMPANY INFORMATION

Directors	T. F. Dunn L. Stewart S. J. Hill T. F. Wishart C. C. Lockwood
Company number	SC202170
Registered office	3 James Chalmers Road Arbroath Enterprise Park Arbroath Angus Scotland DD11 3RQ
Auditors	Dutton Moore Aldgate House 1-4 Market Place Hull HU1 1RS

JOURNEYCALL LIMITED

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JOURNEYCALL LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JULY 2014

The directors present the strategic report and financial statements for the year ended 31 July 2014.

Principal activities
The principal activity of the company continued to be that of the provision of mass transit focussed contact centre, information services to the public, claims management, discounted travel tokens and transit ticket retailing.

Business
Journeycall is a company incorporated and based in Scotland that is growing very quickly as a result of the excellence and value of their highly focused expert services. As the main area of business revolves around contact centre support services, primarily for smartcard schemes in the mass transit sector, the company is affected by changes in trends in public transport choices.

Review
The company has had another successful year with the results set out on page 6. The directors have paid an interim dividend of £149,451 (2013: £541,211) and they do not recommend payment of a final dividend (2013: £nil). Continued emphasis is being put on cost savings through investment in efficiency and technology whilst continuing to drive forward sales at an increasing pace and managing growth effectively. At the year end date the company had sufficient working capital in place.

Key performance indicators

	2014	2013	2012
	£	£	£
Turnover	49,756,996	28,899,195	5,244,595
Change in turnover	72.2%	451.0%	1.0%
Profit before tax	1,209,468	858,891	329,148

Principal risks and uncertainties
The company is operating in a market that has become more competitive over the years with some businesses creating a trend to move this function overseas. Journeycall Limited remains committed to delivering high quality services which is emphasised by the number of awards the company has received for call centre excellence. The directors believe quality of service and expert knowledge of their customer's product is a key area in which the company has an advantage over their competitors.

Financial instruments
The company's principal financial instruments comprise bank balances, trade debtors and trade creditors. The main purpose of these instruments is to raise funds for the company's operations and to finance the company's working capital.

Due to the nature of the financial instruments used by the company there is minimal exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of bank balances the liquidity risk is managed by maintaining a credit balance. Overdraft facilities are seldom used and instead bank balances are maintained to mitigate interest rate risk.

Trade debtors are managed in respect of credit and cash flow risk by policies to manage the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

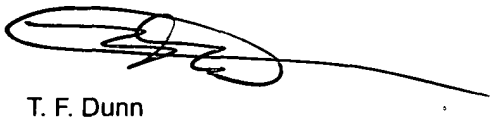
Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Future outlook

In November 2014 the company relocated its entire operation to new offices at Arbroath to bring its call centres at Laurencekirk and Brechin together whilst providing scope for expansion to meet continuing growth forecasts. In addition a further 100 more staff are in the process of being recruited to serve the company's growing customer base.

The board believes that the company's strategy together with its experienced management will be a solid foundation for future successful performance.

On behalf of the board



T. F. Dunn
Director
23 April 2015

JOURNEYCALL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2014

The directors present their report and financial statements for the year ended 31 July 2014.

Directors
The following directors have held office since 1 August 2013:

T. F. Dunn
P. S. Pirie (Resigned 28 November 2013)
L. Stewart
S. J. Hill
T. F. Wishart
C. C. Lockwood

Statement of directors' responsibilities
The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Statement of disclosure to auditors
So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board

T. F. Dunn
Director
23 April 2015

JOURNEYCALL LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF JOURNEYCALL LIMITED

We have audited the financial statements of Journeycall Limited for the year ended 31 July 2014 set out on pages 6 to 17. 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 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 Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2014 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 matter prescribed by the Companies Act 2006

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF JOURNEYCALL LIMITED

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 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.

Douglas Baker FCCA (Senior Statutory Auditor)
for and on behalf of Dutton Moore

24 April 2015

Chartered Accountants
Statutory Auditor

Aldgate House
1-4 Market Place
Hull
HU1 1RS

JOURNEYCALL LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JULY 2014

	Notes	2014 £	2013 £
Turnover	2	49,756,996	28,899,195
Cost of sales		(44,855,642)	(25,157,514)
Gross profit		4,901,354	3,741,681
Administrative expenses		(3,709,314)	(2,900,888)
Other operating income		11,500	16,834
Operating profit	3	1,203,540	857,627
Other interest receivable and similar income	4	5,928	1,264
Profit on ordinary activities before taxation		1,209,468	858,891
Tax on profit on ordinary activities	5	(270,464)	(202,797)
Profit for the year	14	939,004	656,094

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

JOURNEYCALL LIMITED

BALANCE SHEET

AS AT 31 JULY 2014

	Notes	2014 £	2014 £	2013 £	2013 £
Fixed assets					
Tangible assets	**7**		222,434		214,501
Current assets					
Stocks	**8**	45,259		33,969	
Debtors	**9**	582,906		489,915	
Cash at bank and in hand		3,992,653		3,084,609	
		4,620,818		3,608,493	
Creditors: amounts falling due within one year	**10**	(2,960,804)		(2,732,252)	
Net current assets			1,660,014		876,241
Total assets less current liabilities			1,882,448		1,090,742
Provisions for liabilities	**11**		(14,254)		(12,101)
			1,868,194		1,078,641
Capital and reserves					
Called up share capital	**13**		93		93
Share premium account	**14**		29,980		29,980
Other reserves	**14**		130		130
Profit and loss account	**14**		1,837,991		1,048,438
Shareholders' funds	**15**		1,868,194		1,078,641

Approved by the Board and authorised for issue on 23 April 2015

T. F. Dunn
Director

Company Registration No. SC202170

JOURNEYCALL LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JULY 2014

	£	2014 £	£	2013 £
Net cash inflow from operating activities		1,573,344		3,179,457
Returns on investments and servicing of finance				
Interest received	5,928		1,264	
Net cash inflow for returns on investments and servicing of finance		5,928		1,264
Taxation		(367,713)		(76,376)
Capital expenditure				
Payments to acquire tangible assets	(154,064)		(171,497)	
Net cash outflow for capital expenditure		(154,064)		(171,497)
Equity dividends paid		(149,451)		(541,211)
Net cash inflow before management of liquid resources and financing		908,044		2,391,637
Increase in cash in the year		908,044		2,391,637

JOURNEYCALL LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JULY 2014

1 Reconciliation of operating profit to net cash outflow from operating activities

	2014	2013
	£	£
Operating profit	1,203,540	857,627
Depreciation of tangible assets	146,131	70,083
Increase in stocks	(11,290)	(33,669)
(Increase)/decrease in debtors	(92,991)	94,872
Increase in creditors within one year	327,954	2,190,544
Net cash inflow from operating activities	1,573,344	3,179,457

2 Analysis of net funds

	1 August 2013	Cash flow	Other non-cash changes	31 July 2014
	£	£	£	£
Net cash:				
Cash at bank and in hand	3,084,609	908,044	-	3,992,653
Net funds	3,084,609	908,044	-	3,992,653

3 Reconciliation of net cash flow to movement in net funds

	2014	2013
	£	£
Increase in cash in the year	908,044	2,391,637
Movement in net funds in the year	908,044	2,391,637
Opening net funds	3,084,609	692,972
Closing net funds	3,992,653	3,084,609

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2014

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Short leasehold property	Over the term of the lease
Fixtures, fittings & equipment	20% per annum on cost to 33 1/3% per annum on cost

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Stock

Stock is valued at the lower of cost and net realisable value.

1.7 Pensions

The company makes payments to money purchase pension schemes. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the schemes.

1.8 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.9 Government grants

Grants towards capital expenditure are credited to deferred income and released to the profit and loss account over the expected useful life of the asset.

Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3	**Operating profit**	**2014**	**2013**
		£	**£**
	Operating profit is stated after charging:		
	Depreciation of tangible assets	146,131	70,083
	Operating lease rentals		
	- Plant and machinery	55,526	63,291
	- Land and buildings	80,470	80,670
	Auditors' remuneration	10,000	10,000
	Auditors' remuneration from non-audit work	5,000	12,950
	and after crediting:		
	Government grants	11,500	16,834

4	**Investment income**	**2014**	**2013**
		£	**£**
	Bank interest	5,921	1,243
	Other interest	7	21
		5,928	1,264

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2014

5 Taxation	2014 £	2013 £
Domestic current year tax		
U.K. corporation tax	268,311	200,226
Total current tax	268,311	200,226
Deferred tax		
Origination and reversal of timing differences	2,153	2,571
	270,464	202,797
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	1,209,468	858,891
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 22.33% (2013 - 23.67%)	270,074	203,299
Effects of:		
Non deductible expenses	63	409
Depreciation add back	32,631	16,588
Capital allowances	(34,457)	(20,070)
	(1,763)	(3,073)
Current tax charge for the year	268,311	200,226

6 Dividends	2014 £	2013 £
Ordinary interim paid	149,451	541,211

7 Tangible fixed assets

	Short leasehold property	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 August 2013	71,118	300,555	371,673
Additions	27,619	126,445	154,064
Disposals	(71,118)	(46,538)	(117,656)
At 31 July 2014	27,619	380,462	408,081
Depreciation			
At 1 August 2013	25,668	131,504	157,172
On disposals	(71,118)	(46,538)	(117,656)
Charge for the year	45,450	100,681	146,131
At 31 July 2014	-	185,647	185,647
Net book value			
At 31 July 2014	27,619	194,815	222,434
At 31 July 2013	45,450	169,051	214,501

8 Stocks

	2014	2013
	£	£
Finished goods and goods for resale	45,259	33,969

9 Debtors

	2014	2013
	£	£
Trade debtors	507,208	438,627
Other debtors	3,572	3,572
Prepayments and accrued income	72,126	47,716
	582,906	489,915

10 Creditors: amounts falling due within one year	2014 £	2013 £
Trade creditors	2,305,490	2,002,113
Amounts owed to group undertakings	386,169	343,503
Corporation tax	100,824	200,226
Other taxes and social security costs	57,086	87,811
Accruals and deferred income	111,235	98,599
	2,960,804	2,732,252

11 Provisions for liabilities

	Deferred tax liability £
Balance at 1 August 2013	12,101
Profit and loss account	2,153
Balance at 31 July 2014	14,254

The deferred tax liability is made up as follows:

	2014 £	2013 £
Accelerated capital allowances	14,254	12,101

12 Pension and other post-retirement benefit commitments
Defined contribution

	2014 £	2013 £
Contributions payable by the company for the year	21,681	23,594

13 Share capital	2014 £	2013 £
Allotted, called up and fully paid		
93 Ordinary shares of £1 each	93	93

14 Statement of movements on reserves

	Share premium account £	Other reserves (see below) £	Profit and loss account £
Balance at 1 August 2013	29,980	130	1,048,438
Profit for the year	-	-	939,004
Dividends paid	-	-	(149,451)
Balance at 31 July 2014	29,980	130	1,837,991

Other reserves

Capital redemption reserve

Balance at 1 August 2013 & at 31 July 2014	130

15 Reconciliation of movements in shareholders' funds

	2014 £	2013 £
Profit for the financial year	939,004	656,094
Dividends	(149,451)	(541,211)
Net addition to shareholders' funds	789,553	114,883
Opening shareholders' funds	1,078,641	963,758
Closing shareholders' funds	1,868,194	1,078,641

16 Financial commitments

At 31 July 2014 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 July 2015:

	Land and buildings		Other	
	2014 £	2013 £	2014 £	2013 £
Operating leases which expire:				
Within one year	31,000	-	30,910	12,380
Between two and five years	48,500	79,500	65,363	91,473
	79,500	79,500	96,273	103,853

17 Directors' remuneration

	2014	2013
	£	£
Remuneration for qualifying services	159,749	125,719
Company pension contributions to defined contribution schemes	13,992	17,917
	173,741	143,636

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2013 - 3).

18 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2014	2013
	Number	Number
Administration	12	8
Call centre	133	124
	145	132

Employment costs	2014	2013
	£	£
Wages and salaries	2,082,748	1,888,664
Social security costs	141,214	130,490
Other pension costs	21,681	23,594
	2,245,643	2,042,748

19 Control

The ultimate holding company is ESP Systex Holdings Limited, a company incorporated in England. The company is controlled by Mr. T. F. Dunn.

20 Related party relationships and transactions

a) During the year the company paid dividends to the directors P. S. Pirie, L. Stewart and T. F. Wishart of £57,812, £78,900 and £12,739 respectively.

b) During the previous year the director T. F. Wishart received an advance totalling £3,572. At the balance sheet date this amount remained outstanding.

c) During the year the following transactions took place with a group company, ESP Systex Limited:
- sales of £564,634; and
- purchases of £304,988;
At the balance sheet date ESP Systex Limited were owed £167,833.

d) During the year the following transactions took place with the company's holding company, ESP Systex Holdings Limited:
- management charges of £461,000.
At the balance sheet date ESP Systex Holdings Limited were owed £218,336.