

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 2015

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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

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3
Independent auditor's report	4 - 5
Profit and loss account	6
Balance sheet	7
Cash flow statement	8
Notes to the cash flow statement	9
Notes to the financial statements	10 - 18

JOURNEYCALL LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JULY 2015

The directors present the strategic report and financial statements for the year ended 31 July 2015.

Principal activities

The principal activities of the company continued to be those 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 the 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 £244,022 (2014: £149,451) and they do not recommend payment of a final dividend (2014: £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. In November 2014 the company relocated its entire operation to new offices at Arbroath to bring its call centres at Laurencekirk and Brechin together. At the year-end date the company had sufficient working capital in place.

Key performance indicators

	2015 £	2014 £	2013 £
Turnover	61,881,652	49,756,996	28,899,195
Change in turnover	24.4%	72.2%	451.0%
Profit before tax	918,642	1,209,468	858,891

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.

JOURNEYCALL LIMITED

STRATEGIC REPORT (CONTINUED) **FOR THE YEAR ENDED 31 JULY 2015**

Future outlook

The move to new offices has provided scope for expansion which will help to meet continuing growth forecasts.

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

7 January 2016

JOURNEYCALL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2015

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

Directors

The following directors have held office since 1 August 2014:

T. F. Dunn
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

7 January 2016

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 2015 set out on pages 6 to 18. 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 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 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.

JOURNEYCALL LIMITED

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

8 January 2016

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 2015

	Notes	2015 £	2014 £
Turnover	2	61,881,652	49,756,996
Cost of sales		(55,081,902)	(44,855,642)
Gross profit		6,799,750	4,901,354
Administrative expenses		(5,893,829)	(3,709,314)
Other operating income		5,700	11,500
Operating profit	3	911,621	1,203,540
Other interest receivable and similar income	4	7,021	5,928
Profit on ordinary activities before taxation		918,642	1,209,468
Tax on profit on ordinary activities	5	(190,193)	(270,464)
Profit for the year	15	728,449	939,004

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 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Tangible assets	7	1,248,261		222,434	
Current assets					
Stocks	8	30,805		45,259	
Debtors	9	2,016,483		582,906	
Cash at bank and in hand		1,005,711		3,992,653	
		<u>3,052,999</u>		<u>4,620,818</u>	
Creditors: amounts falling due within one year	10	<u>(1,690,017)</u>		<u>(2,960,804)</u>	
Net current assets		1,362,982		1,660,014	
Total assets less current liabilities		<u>2,611,243</u>		<u>1,882,448</u>	
Provisions for liabilities	11	(88,341)		(14,254)	
Accruals and deferred income	12	(170,281)		-	
		<u>2,352,621</u>		<u>1,868,194</u>	
Capital and reserves					
Called up share capital	14	93		93	
Share premium account	15	29,980		29,980	
Other reserves	15	130		130	
Profit and loss account	15	2,322,418		1,837,991	
Shareholders' funds	16	<u>2,352,621</u>		<u>1,868,194</u>	

Approved by the Board and authorised for issue on 7 January 2016


T. F. Dunn
Director

Company Registration No. SC202170

JOURNEYCALL LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JULY 2015

	£	2015 £	£	2014 £
Net cash (outflow)/inflow from operating activities		(1,455,887)		1,573,344
Returns on investments and servicing of finance				
Interest received	7,021		5,928	
Net cash inflow for returns on investments and servicing of finance		7,021		5,928
Taxation		(209,921)		(367,713)
Capital expenditure				
Payments to acquire tangible assets	(1,264,962)		(154,064)	
Net cash outflow for capital expenditure		(1,264,962)		(154,064)
Equity dividends paid		(244,022)		(149,451)
Net cash (outflow)/inflow before management of liquid resources and financing		(3,167,771)		908,044
Financing				
Government grant received	180,829		-	
Net cash inflow/(outflow) from financing		180,829		-
(Decrease)/increase in cash in the year		(2,986,942)		908,044

JOURNEYCALL LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JULY 2015

1 Reconciliation of operating profit to net cash inflow/(outflow) from operating activities		2015	2014
		£	£
Operating profit		911,621	1,203,540
Depreciation of tangible assets		227,048	146,131
Loss on disposal of tangible assets		12,087	-
Decrease/(increase) in stocks		14,454	(11,290)
Increase in debtors		(1,404,480)	(92,991)
(Decrease)/increase in creditors within one year		(1,206,069)	327,954
Movement on grant provision		(10,548)	-
Net cash (outflow)/inflow from operating activities		(1,455,887)	1,573,344

2 Analysis of net funds	1 August 2014	Cash flow	Other non-cash changes	31 July 2015
	£	£	£	£
Net cash:				
Cash at bank and in hand	3,992,653	(2,986,942)	-	1,005,711
Net funds	3,992,653	(2,986,942)	-	1,005,711

3 Reconciliation of net cash flow to movement in net funds		2015	2014
		£	£
(Decrease)/increase in cash in the year		(2,986,942)	908,044
Movement in net funds in the year		(2,986,942)	908,044
Opening net funds		3,992,653	3,084,609
Closing net funds		1,005,711	3,992,653

JOURNEYCALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015

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:

Leasehold property	Over 10 years
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.

JOURNEYCALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2015

3	Operating profit	2015	2014
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	227,048	146,131
	Loss on disposal of tangible assets	12,087	-
	Operating lease rentals		
	- Plant and machinery	45,000	55,526
	- Land and buildings	98,753	80,470
	Auditors' remuneration	11,000	10,000
	Auditors' remuneration from non-audit work	6,000	5,000
	and after crediting:		
	Government grants	-	11,500
	Amortisation of government grants	10,548	-
		<u> </u>	<u> </u>
4	Investment income	2015	2014
		£	£
	Bank interest	7,001	5,921
	Other interest	20	7
		<u> </u>	<u> </u>
		<u>7,021</u>	<u>5,928</u>

JOURNEYCALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2015

5	Taxation	2015 £	2014 £
	Domestic current year tax		
	U.K. corporation tax	116,106	268,311
	Total current tax	116,106	268,311
	Deferred tax		
	Origination and reversal of timing differences	74,087	2,153
		190,193	270,464
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	918,642	1,209,468
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.67% (2014 - 22.33%)	189,837	270,074
	Effects of:		
	Non deductible expenses	625	63
	Depreciation add back	47,238	32,631
	Capital allowances	(121,594)	(34,457)
		(73,731)	(1,763)
	Current tax charge for the year	116,106	268,311
6	Dividends	2015 £	2014 £
	Ordinary interim paid	244,022	149,451

JOURNEYCALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2015

7 Tangible fixed assets

	Leasehold property	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 August 2014	27,619	380,462	408,081
Additions	939,798	325,164	1,264,962
Disposals	-	(27,547)	(27,547)
At 31 July 2015	967,417	678,079	1,645,496
Depreciation			
At 1 August 2014	-	185,647	185,647
On disposals	-	(15,460)	(15,460)
Charge for the year	56,006	171,042	227,048
At 31 July 2015	56,006	341,229	397,235
Net book value			
At 31 July 2015	911,411	336,850	1,248,261
At 31 July 2014	27,619	194,815	222,434

8 Stocks

	2015 £	2014 £
Finished goods and goods for resale	30,805	45,259

9 Debtors

	2015 £	2014 £
Trade debtors	1,492,520	507,208
Amounts owed by group undertakings	347,950	-
Corporation tax	29,097	-
Other debtors	3,572	3,572
Prepayments and accrued income	143,344	72,126
	2,016,483	582,906

JOURNEYCALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2015

10 Creditors: amounts falling due within one year	2015 £	2014 £
Trade creditors	1,146,295	2,305,490
Amounts owed to group undertakings	-	386,169
Corporation tax	36,106	100,824
Other taxes and social security costs	267,951	57,086
Accruals and deferred income	239,665	111,235
	<u>1,690,017</u>	<u>2,960,804</u>

11 Provisions for liabilities	Deferred tax liability £
Balance at 1 August 2014	14,254
Profit and loss account	74,087
Balance at 31 July 2015	<u>88,341</u>

The deferred tax liability is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	<u>88,341</u>	<u>14,254</u>

12 Accruals and deferred income	Government grants £
Grants received during the year	180,829
Amortisation in the year	(10,548)
Balance at 31 July 2015	<u>170,281</u>

JOURNEYCALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2015

13 Retirement benefits

	2015 £	2014 £
Contributions payable by the company for the year	57,197	21,681

14 Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
93 Ordinary shares of £1 each	93	93

15 Statement of movements on reserves

	Share premium account £	Other reserves (see below) £	Profit and loss account £
Balance at 1 August 2014	29,980	130	1,837,991
Profit for the year	-	-	728,449
Dividends paid	-	-	(244,022)
Balance at 31 July 2015	29,980	130	2,322,418

Other reserves

Capital redemption reserve

Balance at 1 August 2014 & at 31 July 2015

130

16 Reconciliation of movements in shareholders' funds

	2015 £	2014 £
Profit for the financial year	728,449	939,004
Dividends	(244,022)	(149,451)
Net addition to shareholders' funds	484,427	789,553
Opening shareholders' funds	1,868,194	1,078,641
Closing shareholders' funds	2,352,621	1,868,194

JOURNEYCALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2015

17 Contingent liabilities

The company has unlimited guarantees in respect of bank borrowings with the following group companies:

ESP Systex Holdings Limited
ESP Systex Limited

In the opinion of the directors the likelihood of the guarantees being called upon is remote.

18 Financial commitments

At 31 July 2015 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 July 2016:

	Land and buildings		Other	
	2015	2014	2015	2014
	£	£	£	£
Operating leases which expire:				
Within one year	-	31,000	-	30,910
Between two and five years	48,500	48,500	60,802	65,363
In over five years	47,200	-	-	-
	<u>95,700</u>	<u>79,500</u>	<u>60,802</u>	<u>96,273</u>

19 Directors' remuneration

	2015	2014
	£	£
Remuneration for qualifying services	80,097	159,749
Company pension contributions to defined contribution schemes	14,018	13,992
	<u>94,115</u>	<u>173,741</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2014 - 2).

JOURNEYCALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2015

20 Employees

Number of employees

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

	2015 Number	2014 Number
Administration	12	12
Call centre	228	133
	<u>240</u>	<u>145</u>

Employment costs

	2015 £	2014 £
Wages and salaries	3,171,445	2,082,748
Social security costs	188,842	141,214
Other pension costs	57,197	21,681
	<u>3,417,484</u>	<u>2,245,643</u>

21 Control

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

JOURNEYCALL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2015

22 Related party relationships and transactions

a) During the year the company paid dividends to the directors L. Stewart and T. F. Wishart of £102,213 and £41,809 respectively.

b) In a 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 £1,339,742; and

- purchases of £363,912;

At the balance sheet date ESP Systex Limited owed £952,749.

d) During the year the following transactions took place with the company's holding company, ESP Systex Holdings Limited:

- management charges paid of £1,275,000; and

- dividends of £100,000.

At the balance sheet date ESP Systex Holdings Limited were owed £604,799.