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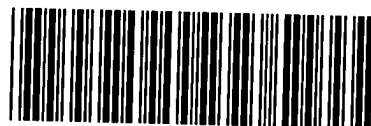
**TRULY TRAVEL LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 OCTOBER 2017**

THURSDAY



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<b>TRULY TRAVEL LIMITED</b>
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**COMPANY INFORMATION**

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<b>Directors</b>	S K Edara P Panteli
<b>Company secretary</b>	J P Secretarial Services Ltd
<b>Registered number</b>	06856368
<b>Registered office</b>	East House 109 South Worple Way London SW14 8TN
<b>Independent auditors</b>	White Hart Associates (London) Limited Chartered Accountants and Statutory Auditors 2nd Floor, Nucleus House 2 Lower Mortlake Road Richmond TW9 2JA

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**TRULY TRAVEL LIMITED**

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# TRULY TRAVEL LIMITED

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## STRATEGIC REPORT FOR THE YEAR ENDED 31 OCTOBER 2017

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### Introduction

The directors present their strategic report for the year ended 31 October 2017.

### Business review

In a highly competitive market existing in the UK, the company's continued investment in technology, brand and range of holidays has seen the company maintain its position. The total gross commissions earned by the company grew by 3.25 % on the prior year. The company's profit before tax was £2,028,174 (2016 - £2,241,630).

### 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.

- The company is exposed to various regulators, including the Civil Aviation Authority ("CAA") which issues an Air Travel Organisers' Licence ("ATOL") which is required in order for the company to operate. This licence is renewed in March each year and is subject to assessments of fitness and financial criteria, the framework of which is available on the CAA website ([www.caa.co.uk](http://www.caa.co.uk)).

- 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.

- 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
- increase in government taxes in both UK and overseas
- wars or other international incidents which affect air or sea travel

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**TRULY TRAVEL LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 OCTOBER 2017**

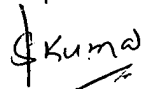
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**Financial key performance indicators**

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

	2017	2016
	£	£
Gross Retail Turnover ("GRT")	127,421,194	130,265,796
Gross Commission	15,285,430	14,803,648
Gross commission as percentage of GRT	11.99%	11.36%
Profit/(Loss) on ordinary activities before taxation	2,028,174	2,241,630
Profit/(Loss) on ordinary activities before taxation as a percentage of GRT	1.59%	1.72%

This report was approved by the board on 15 March 2018 and signed on its behalf.

  
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**S K Edara**  
Director

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**TRULY TRAVEL LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 OCTOBER 2017**

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The directors present their report and the financial statements for the year ended 31 October 2017.

**Directors' responsibilities statement**

The directors are responsible for preparing the Strategic Report, the 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments 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 to 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

**Principal activity**

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 ATOL (Air Travel Organisers' Licence) granted by the Civil Aviation Authority.

The profit for the year, after taxation, amounted to £1,964,946 (2016 - £2,019,492).

There were no interim dividends paid or final dividends paid or proposed for the year ended 31 October 2017.

**Directors**

The directors who served during the year were:

S K Edara  
P Panteli

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**TRULY TRAVEL LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 OCTOBER 2017**

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**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 2018. While growing the business the directors will continue to review its fixed and variable costs with a view to implementing the efficiencies to its operations wherever practical and possible.

**Research and development activities**

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.

**Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

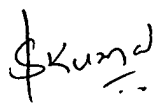
**Post balance sheet events**

There have been no significant events affecting the Company since the year end.

**Auditors**

Under section 487(2) of the Companies Act 2006, White Hart Associates (London) Limited will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 15 March 2018 and signed on its behalf.

  
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S K Edara  
Director

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**TRULY TRAVEL LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF TRULY TRAVEL LIMITED**

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**Opinion**

We have audited the financial statements of Truly Travel Limited (the 'Company') for the year ended 31 October 2017, which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (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.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 October 2017 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.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the



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**TRULY TRAVEL LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF TRULY TRAVEL LIMITED  
(CONTINUED)**

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financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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**TRULY TRAVEL LIMITED**

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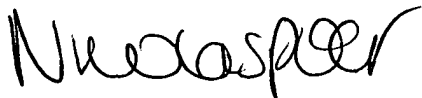
**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF TRULY TRAVEL LIMITED  
(CONTINUED)**

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**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.



Ms N A Spoor ACA FCCA (Senior Statutory Auditor)

for and on behalf of

**White Hart Associates (London) Limited**

Chartered Accountants and Statutory Auditors

2nd Floor, Nucleus House  
2 Lower Mortlake Road  
Richmond  
TW9 2JA

15 March 2018

**TRULY TRAVEL LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 OCTOBER 2017**

	Note	2017 £	2016 £
Gross Retail Turnover ("GRT")		<b>127,421,194</b>	<b>130,265,796</b>
Turnover	3	<b>15,285,430</b>	<b>14,803,648</b>
<b>Gross profit</b>		<b>15,285,430</b>	<b>14,803,648</b>
Distribution costs		<b>(7,716,095)</b>	<b>(7,468,236)</b>
Administrative expenses		<b>(5,488,244)</b>	<b>(5,242,076)</b>
Other operating income	4	<b>35,878</b>	<b>270,849</b>
<b>Operating profit</b>	5	<b>2,116,969</b>	<b>2,364,185</b>
Interest receivable and similar income	9	-	166
Interest payable and similar expenses	10	<b>(88,795)</b>	<b>(122,721)</b>
<b>Profit before tax</b>		<b>2,028,174</b>	<b>2,241,630</b>
Tax on profit	11	<b>(63,228)</b>	<b>(222,138)</b>
<b>Profit for the financial year</b>		<b>1,964,946</b>	<b>2,019,492</b>

The notes on pages 14 to 28 form part of these financial statements.

<b>TRULY TRAVEL LIMITED</b>
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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 OCTOBER 2017**

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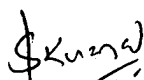
	Note	2017 £	2016 £
Profit for the financial year		1,964,946	2,019,492
Other comprehensive income			
Total comprehensive income for the year		1,964,946	2,019,492

**TRULY TRAVEL LIMITED**  
**REGISTERED NUMBER: 06856368**

**BALANCE SHEET**  
**AS AT 31 OCTOBER 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Intangible assets	12	14,088	120,172
Tangible assets	13	73,799	59,673
		<u>87,887</u>	<u>179,845</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	14	11,014,895	8,117,822
Cash at bank and in hand	15	3,360,390	4,524,380
		<u>14,375,285</u>	<u>12,642,202</u>
Creditors: amounts falling due within one year	16	(5,016,486)	(4,344,396)
<b>Net current assets</b>		<u>9,358,799</u>	<u>8,297,806</u>
<b>Total assets less current liabilities</b>		<u>9,446,686</u>	<u>8,477,651</u>
Creditors: amounts falling due after more than one year	17	(750,000)	(1,750,000)
<b>Provisions for liabilities</b>			
Deferred tax	20	(4,089)	-
		<u>(4,089)</u>	<u>-</u>
<b>Net assets</b>		<u><u>8,692,597</u></u>	<u><u>6,727,651</u></u>
<b>Capital and reserves</b>			
Called up share capital	21	99	99
Profit and loss account		8,692,498	6,727,552
		<u><u>8,692,597</u></u>	<u><u>6,727,651</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 March 2018.



.....  
**S K Edara**  
 Director

The notes on pages 14 to 28 form part of these financial statements.

**TRULY TRAVEL LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 OCTOBER 2017**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 November 2016	99	6,727,552	6,727,651
<b>Comprehensive income for the year</b>			
Profit for the year	-	1,964,946	1,964,946
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Other comprehensive income for the year</b>	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total comprehensive income for the year</b>	-	1,964,946	1,964,946
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total transactions with owners</b>	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
<b>At 31 October 2017</b>	<u>99</u>	<u>8,692,498</u>	<u>8,692,597</u>

<b>TRULY TRAVEL LIMITED</b>
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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 OCTOBER 2016**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 November 2015	99	4,708,060	4,708,159
<b>Comprehensive income for the year</b>			
Profit for the year	-	2,019,492	2,019,492
	<hr/>	<hr/>	<hr/>
<b>Other comprehensive income for the year</b>	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Total comprehensive income for the year</b>	-	2,019,492	2,019,492
	<hr/>	<hr/>	<hr/>
<b>Total transactions with owners</b>	-	-	-
	<hr/>	<hr/>	<hr/>
<b>At 31 October 2016</b>	<b>99</b>	<b>6,727,552</b>	<b>6,727,651</b>
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The notes on pages 14 to 28 form part of these financial statements.

**TRULY TRAVEL LIMITED**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 OCTOBER 2017**

	2017 £	2016 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	1,964,946	2,019,492
<b>Adjustments for:</b>		
Amortisation of intangible assets	106,084	106,084
Depreciation of tangible assets	40,036	25,099
Interest paid	88,795	122,721
Interest received	-	(166)
Taxation charge	63,228	222,138
(Increase) in debtors	(1,586,501)	(5,091,558)
(Increase)/decrease in amounts owed by groups	(1,311,649)	-
Increase in creditors	877,459	2,396,389
(Decrease)/increase in amounts owed to groups	(49,476)	49,476
Corporation tax (paid)	(213,955)	(464,471)
<b>Net cash generated from operating activities</b>	<b>(21,033)</b>	<b>(614,796)</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(54,162)	(75,377)
Interest received	-	166
<b>Net cash from investing activities</b>	<b>(54,162)</b>	<b>(75,211)</b>
<b>Cash flows from financing activities</b>		
New secured loans	-	2,250,000
Repayment of loans	(1,000,000)	-
Other new loans	-	500,000
Interest paid	(88,795)	(122,721)
<b>Net cash used in financing activities</b>	<b>(1,088,795)</b>	<b>2,627,279</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,163,990)</b>	<b>1,937,272</b>
Cash and cash equivalents at beginning of year	4,524,380	2,587,108
<b>Cash and cash equivalents at the end of year</b>	<b>3,360,390</b>	<b>4,524,380</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	3,360,390	4,524,380
	<b>3,360,390</b>	<b>4,524,380</b>



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**TRULY TRAVEL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2017**

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**1. General information**

Truly Travel Limited is a private company limited by shares and incorporated in England under registered number 06856368. Its registered office is East House, 109 South Worple Way, London, SW14 8TN.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

**2.2 Revenue**

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

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

Gross Retail Turnover ("GRT") - GRT is the total gross sales amount received in respect of the sale of the holiday and travel arrangement sales for the year. Section 23 of FRS102 requires the statutory turnover to be the net of commission earned.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2017**

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**2. Accounting policies (continued)**

**2.3 Intangible assets**

**Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Profit and Loss Account over its useful economic life of 5 years.

**Other intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

**2.4 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	-	33%
Motor vehicles	-	25%
Fixtures and fittings	-	33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and Loss Account.

**2.5 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2017**

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**2. Accounting policies (continued)****2.6 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

**2.7 Financial instruments**

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Profit and Loss Account if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2017**

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**2. Accounting policies (continued)****2.7 Financial instruments (continued)**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

**2.8 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.9 Finance costs**

Finance costs are charged to the Profit and Loss Account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.10 Pensions****Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

**2.11 Interest income**

Interest income is recognised in the Profit and Loss Account using the effective interest method.

**2.12 Borrowing costs**

All borrowing costs are recognised in the Profit and Loss Account in the year in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2017**

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**2. Accounting policies (continued)**

**2.13 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and Loss Account in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

**2.14 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

TRULY TRAVEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2017**

### 3. Turnover

An analysis of turnover by class of business is as follows:

	2017 £	2016 £
Sole activity-travel agency	15,285,430	14,803,648
	<u>15,285,430</u>	<u>14,803,648</u>
	<u><u>15,285,430</u></u>	<u><u>14,803,648</u></u>

	2017 £	2016 £
United Kingdom	15,285,430	14,803,648
	<u>15,285,430</u>	<u>14,803,648</u>
	<u><u>15,285,430</u></u>	<u><u>14,803,648</u></u>

All turnover arose within the United Kingdom.

#### 4. Other operating income

	2017 £	2016 £
Foreign exchange gains	35,878	270,849
	<u>35,878</u>	<u>270,849</u>

### 5. Operating profit

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	40,036	25,099
Amortisation of intangible assets, including goodwill	106,084	106,084
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	19,000	19,000
Defined contribution pension cost	21,731	27,626

**TRULY TRAVEL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2017**

**6. Auditors' remuneration**

	2017 £	2016 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>19,000</u>	<u>19,000</u>

**7. Employees**

Staff costs, including directors' remuneration, were as follows:

	2017 £	2016 £
Wages and salaries	714,161	747,986
Social security costs	63,275	74,279
Cost of defined contribution scheme	21,731	27,626
	<u>799,167</u>	<u>849,891</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2017 No.	2016 No.
Administrative	1	4
Distribution	9	12
Sales	6	6
	<u>16</u>	<u>22</u>

**TRULY TRAVEL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2017**

**8. Directors' remuneration**

	2017 £	2016 £
Directors' emoluments	58,667	140,800
Company contributions to defined contribution pension schemes	2,933	7,040
	<u>61,600</u>	<u>147,840</u>

During the year retirement benefits were accruing to 2 directors (2016 - 2) in respect of defined contribution pension schemes.

During the year the payment of the 2 directors' emoluments reverted to being paid by Truly Holdings Limited, the immediate parent company.

**9. Interest receivable**

	2017 £	2016 £
Other interest receivable	-	166
	<u>-</u>	<u>166</u>

**10. Interest payable and similar charges**

	2017 £	2016 £
Loan interest payable	88,795	122,721
	<u>88,795</u>	<u>122,721</u>



**TRULY TRAVEL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2017**

**11. Taxation**

	2017 £	2016 £
<b>Corporation tax</b>		
Current tax on profits for the year	56,342	212,235
Adjustments in respect of previous periods	1,720	12,065
	<u>58,062</u>	<u>224,300</u>
<b>Total current tax</b>	<u>58,062</u>	<u>224,300</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	5,166	(2,162)
<b>Total deferred tax</b>	<u>5,166</u>	<u>(2,162)</u>
<b>Taxation on profit on ordinary activities</b>	<u>63,228</u>	<u>222,138</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2016 - *lower than*) the standard rate of corporation tax in the UK of 19% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	<u>2,028,174</u>	<u>2,241,630</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2016 - 20%)	385,353	448,326
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,630	5,172
Capital allowances for year in excess of depreciation	(4,909)	(12,912)
Adjustments to tax charge in respect of prior periods	1,720	12,065
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(123,500)	(228,351)
Deferred tax	5,166	(2,162)
Group relief	(202,232)	-
<b>Total tax charge for the year</b>	<u>63,228</u>	<u>222,138</u>

**TRULY TRAVEL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2017**

**11. Taxation (continued)**

**Factors that may affect future tax charges**

Changes to the UK corporation tax rates were substantially enacted as part of Finance Bill 2016 ( in September 2016). These include reductions to the main rate to reduce the rate to 17% from April 2020. Deferred taxes at the Statement of Financial Position date have been measured using these enacted tax rates and reflected in these financial statements.

**12. Intangible assets**

	<b>Goodwill £</b>
<b>Cost</b>	
At 1 November 2016	<b>530,423</b>
At 31 October 2017	<b>530,423</b>
<b>Amortisation</b>	
At 1 November 2016	<b>410,251</b>
Charge for the year	<b>106,084</b>
At 31 October 2017	<b>516,335</b>
<b>Net book value</b>	
At 31 October 2017	<b>14,088</b>
At 31 October 2016	<b>120,172</b>

**TRULY TRAVEL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2017**

**13. Tangible fixed assets**

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>				
At 1 November 2016	41,265	75,377	27,005	143,647
Additions	3,080	-	51,082	54,162
At 31 October 2017	<u>44,345</u>	<u>75,377</u>	<u>78,087</u>	<u>197,809</u>
<b>Depreciation</b>				
At 1 November 2016	38,126	18,844	27,005	83,975
Charge for the year on owned assets	4,164	18,844	17,027	40,035
At 31 October 2017	<u>42,290</u>	<u>37,688</u>	<u>44,032</u>	<u>124,010</u>
<b>Net book value</b>				
At 31 October 2017	<u>2,055</u>	<u>37,689</u>	<u>34,055</u>	<u>73,799</u>
At 31 October 2016	<u>3,140</u>	<u>56,533</u>	<u>-</u>	<u>59,673</u>

**14. Debtors**

	2017 £	2016 £
Trade debtors	7,479,995	5,178,861
Amounts owed by group undertakings	1,311,649	-
Other debtors	425,591	609,316
Prepayments and accrued income	1,797,660	2,328,568
Deferred taxation	-	1,077
	<u>11,014,895</u>	<u>8,117,822</u>

**TRULY TRAVEL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2017**

**15. Cash and cash equivalents**

	2017 £	2016 £
Cash at bank and in hand	3,360,390	4,524,380
	<u>3,360,390</u>	<u>4,524,380</u>

**16. Creditors: Amounts falling due within one year**

	2017 £	2016 £
Bank loans	1,000,000	1,000,000
Trade creditors	2,927,681	1,995,510
Amounts owed to group undertakings	-	49,476
Corporation tax	56,342	212,235
Other taxation and social security	10,641	24,490
Other creditors	859,428	917,935
Accruals and deferred income	162,394	144,750
	<u>5,016,486</u>	<u>4,344,396</u>

**17. Creditors: Amounts falling due after more than one year**

	2017 £	2016 £
The directors' loan of £500,000 below is subject to a subordinated undertaking in favour of the Civil Aviation Authority and cannot be paid without their prior written consent.		
Bank loans	250,000	1,250,000
Directors' loans	500,000	500,000
	<u>750,000</u>	<u>1,750,000</u>

**TRULY TRAVEL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2017**

**18. Loans**

Analysis of the maturity of loans is given below:

	2017 £	2016 £
<b>Amounts falling due within one year</b>		
Bank loans	1,000,000	1,000,000
	<u>1,000,000</u>	<u>1,000,000</u>
<b>Amounts falling due 2-5 years</b>		
Bank loans	250,000	1,250,000
Directors' loans	500,000	500,000
	<u>750,000</u>	<u>1,750,000</u>
	<u><u>1,750,000</u></u>	<u><u>2,750,000</u></u>

**19. Financial instruments**

	2017 £	2016 £
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	3,360,390	4,524,380
	<u>3,360,390</u>	<u>4,524,380</u>

Financial assets measured at fair value through profit or loss comprise of bank and cash balances.

**TRULY TRAVEL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2017**

**20. Deferred taxation**

	2017 £	2016 £
At beginning of year	1,077	(1,085)
Charged to profit or loss	(5,166)	2,162
<b>At end of year</b>	<b>(4,089)</b>	<b>1,077</b>

The deferred taxation balance is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	(4,089)	1,077
	<b>(4,089)</b>	<b>1,077</b>

**21. Share capital**

	2017 £	2016 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
99 Ordinary shares of £1 each	99	99

**22. Pension commitments**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge represents contributions payable by the company to the fund and amounted to £ 21,730 (2016: £ 27,626).

**23. Cash at Bank**

The company is a member of the Travel Trust Association ("TTA") and utilises the TTA structure in order to protect consumer funds in accordance with the Package Travel Regulations. As at 31 October 2017, included in cash at bank is the sum of £1,567,080 (2016: £2,263,842) 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.

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<b>TRULY TRAVEL LIMITED</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2017**

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**24. Holding Company**

Truly Holdings Limited, whose registered office is situated at East House, 109 South Worple Way, London SW14 8TN, is the company's parent company.

**25. Related party transactions**

The company has taken advantage of the exemption in Financial Reporting Standard 102, paragraph 33.1A, from the requirement to disclose transactions with group companies on the basis that consolidated financial statements are prepared by the ultimate parent company.

**26. Controlling party**

The ultimate controlling party is Mr S K Edara, a director of the company, by virtue of his 53.6% ownership of the issued share capital of the holding company Truly Holdings Limited.