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Company registration number: 01520706

Lotus Travel Limited

Financial statements

31 October 2018

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Lotus Travel Limited

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Lotus Travel Limited

Directors and other information

Directors	Mr Peter Stephens Ms Christine Burrowes Mr John Phelps Mr George Ross Mr David Whittaker Mr Tony Griffiths Mr Pam Spratt Ms Sarah Wilson
Secretary	Ms Christine Burrowes
Company number	01520706
Registered office	Sandpiper House 37-39 Queen Elizabeth Street London SE1 2BT
Business address	Sandpiper House 37-39 Queen Elizabeth Street London SE1 2BT
Auditor	Crowe U.K. LLP Riverside House 40-46 High Street Maidstone Kent ME14 1JH
Bankers	Barclays Bank plc London Corporate Service Centre PO Box 46116 London EC4N 8WB
Solicitors	MB Law Studio 3 The Quays Concordia Street Leeds LS1 4ES

Strategic report
Year ended 31 October 2018

Principal activity and review of the business

The principal activity of the company continued to be that of travel arrangers for both leisure and corporate clients. It acts as a principal in that it sells flight and ground product as a "package".Although it covers the whole range of clients' travel requirements it has particular strength in the "up market" and premium long haul sectors of the market.

Results and dividends

The profit for the year after taxation, amounted to £6,580,826 (2017-£7,703,531). The directors recommended a final dividend of £5,500,000 (2017-£5,000,000).

Review of performance

Turnover has increased in the year and, although weaker sterling increased the cost of ground products and put pressure on gross margins, gross profit has been maintained. The directors are very happy with the performance considering the headwinds faced by the market as a whole.

Year end financial position

The already strong balance sheet of the company was improved, leaving shareholders funds of £20,559,808 (2017-£19,478,982).

Principal risks and uncertainties

The company is not considered to have any particular regional or geographical risk arising from political or natural factors. In addition to the ATOL licences issued by the Civil Aviation Authority the group operates a client trust account which safeguards all client monies received for travel arrangements until such time as payment is due to the supplier or the client has travelled. Gross profit is then transferred to the general bank account. Interest arising from the funds held on account belongs to the Lotus Group of companies.

Financial risk management objectives and policies

Interest rate risk - the company is not considered to be at risk to interest rate change.

Charitable donations

During the year the company donated £1,000,000 (2017-£ nil) to Make My Day Better (a UK registered charity established by the Lotus Group).

This report was approved by the board of directors on 25 January 2019 and signed on behalf of the board by:

Mr Peter Stephens
Director

Directors report
Year ended 31 October 2018

The directors present their report and the financial statements of the company for the year ended 31 October 2018.

Directors
The directors who served the company during the year were as follows:

Mr Peter Stephens
Ms Christine Burrowes
Mr John Phelps
Mr George Ross
Mr David Whittaker
Mr Tony Griffiths
Mr Pam Spratt
Ms Sarah Wilson

Dividends
The directors recommended a final dividend of £5,500,000 (2017 £5,000,000)

Future developments
Trading has remained firm in all the company's markets and this is expected to continue. The company is committed to a continued improvement in systems, training and client service levels and to maintaining its high customer satisfaction levels.

Employment of disabled persons
The directors try to make sure, as far as possible, that the training, promotion and career development of disabled persons is the same as for other employees. If an individual becomes disabled, every effort is made to ensure that their employment can continue and any additional appropriate retraining is received.

Employee involvement
Employees and equal opportunitites - the company's sole criterion for recruitment and promotion is the ability of the individual to perform the job conerned without any discrimination on the grounds of race, religion, age, disability, marital status, parental status or sexual orientation. Employee involvement - the company makes use of an intranet system to keep staff informed of current developments affecting the company and to provide trading performance data for each operational level. There is a comprehensive uniform and transparent incentive scheme for the majority of the staff, which is based on performance. Staff views are fed back to management through formal regular meetings.

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 accounts debtors and creditors and loans to and from group companies.

Events after the end of the reporting period
There have been no significant events affecting the company since the year end.

Other matters
Going Concern.-Accounting standards require the directors to consider the appropriateness of the going concern basis when preparing the financial statements. The directors confirm that the going concern basis remains appropriate as the company has adequate resources to continue in operational existence for the forseeable future.

Directors responsibilities statement

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 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 25 January 2019 and signed on behalf of the board by:

Mr Peter Stephens
Director

Independent auditor's report to the members of Lotus Travel Limited Year ended 31 October 2018

Opinion

We have audited the financial statements of Lotus Travel Limited for the year ended 31 October 2018 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and notes to the financial statements, 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 2018 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 auditor's 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 UK, including the FRC'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 auditor's report thereon. Our opinion on the 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.

Opinions 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 has 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, 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 the 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, 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.

Auditor's 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 auditor's 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. This description forms part of our auditor's report.

Crowe U.K. LLP

Mark Anderson (Senior Statutory Auditor)

For and on behalf of
Crowe U.K. LLP
Chartered Accountants and Registered Auditors
Riverside House
40-46 High Street
Maidstone
Kent
ME14 1JH

25 January 2019

Lotus Travel Limited

Statement of income and retained earnings
Year ended 31 October 2018

	Note	2018 £	2017 £
Turnover	2	233,933,178	225,005,873
Cost of sales		(215,301,606)	(206,809,069)
Gross profit		18,631,572	18,196,804
Administrative expenses		(10,543,871)	(8,723,897)
Other operating income	4	74,005	89,041
Operating profit	5	8,161,706	9,561,948
Other interest receivable and similar income	8	878	64
Interest payable and similar expenses	9	-	(1,609)
Profit before taxation		8,162,584	9,560,403
Tax on profit	10	(1,581,758)	(1,856,872)
Profit for the financial year and total comprehensive income		6,580,826	7,703,531
Dividends declared and paid or payable during the year		(5,500,000)	(5,000,000)
Retained earnings at the start of the year		19,428,982	16,725,451
Retained earnings at the end of the year		20,509,808	19,428,982

All the activities of the company are from continuing operations.

The notes on pages 11 to 17 form part of these financial statements.

Lotus Travel Limited

Statement of financial position
31 October 2018

	Note	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Investments	**11**	10,000,411		-	
			10,000,411		-
Current assets					
Debtors	**12**	44,644,698		26,459,423	
Cash at bank and in hand		7,625,170		21,010,106	
		52,269,868		47,469,529	
Creditors: amounts falling due within one year	**13**	(41,710,471)		(27,990,547)	
Net current assets			10,559,397		19,478,982
Total assets less current liabilities			20,559,808		19,478,982
Net assets			20,559,808		19,478,982
Capital and reserves					
Called up share capital	**14**		50,000		50,000
Profit and loss account			20,509,808		19,428,982
Shareholders funds			20,559,808		19,478,982

These financial statements were approved by the board of directors and authorised for issue on 25 January 2019, and are signed on behalf of the board by:

Mr Peter Stephens
Director

Company registration number: 01520706

The notes on pages 11 to 17 form part of these financial statements.

Lotus Travel Limited

Statement of cash flows
Year ended 31 October 2018

	2018	2017
	£	£
Cash flows from operating activities		
Profit for the financial year	6,580,826	7,703,531
Adjustments for:		
Income from other fixed asset investments	(411)	-
Other interest receivable and similar income	(878)	(64)
Interest payable and similar expenses	-	1,609
Tax on profit	1,581,758	1,856,872
Accrued expenses/(income)	(13,654)	6,625
Changes in:		
Trade and other debtors	(18,185,275)	(11,160,459)
Trade and other creditors	(333,570)	520,037
Cash generated from operations	(10,371,204)	(1,071,849)
Interest paid	-	(1,609)
Interest received	878	64
Tax paid	(2,487,887)	(2,316,979)
Net cash used in operating activities	(12,858,213)	(3,390,373)
Cash flows from investing activities		
Purchase of other investments	(10,000,000)	-
Net cash (used in)/from investing activities	(10,000,000)	-
Cash flows from financing activities		
Proceeds from loans from group undertakings	14,973,277	7,559,307
Equity dividends paid	(5,500,000)	(5,000,000)
Net cash from financing activities	9,473,277	2,559,307
Net increase/(decrease) in cash and cash equivalents	(13,384,936)	(831,066)
Cash and cash equivalents at beginning of year	21,010,106	21,841,172
Cash and cash equivalents at end of year	7,625,170	21,010,106

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Lotus Travel Ltd, Sandpiper House, 37-39 Queen Elizabeth Street, London SE1 2BT.

Basis of preparation

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.

Accounting standards require the directors to consider the appropriateness of the going concern basis when preparing the financial statements. The directors confirm that the going concern basis remains appropriate as the company has adequate resources to continue in operational existence for the foreseeable future.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

- the requirements of Section 4 Statement of financial Position paragraph 4.12(a)(iv):
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other FInancial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

The following principal accounting policies have been applied:

Turnover

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax. Turnover in respect of inclusive tours is recognised at the date of booking, other income is recognised at the earlier of the date of invoicing or receipt of monies.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to profit or loss.

Fixed asset investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses. Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

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.

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. The group operates a client trust account to safeguard amounts received from clients. The amounts held are represented by bank balances. Interest on this account belongs to the Lotus Group of companies.

Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

Dividends
Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2. Turnover

Turnover arises from:

	2018	2017
	£	£
Inclusive Tours	233,922,664	224,999,782
Other income	10,514	6,091
	233,933,178	225,005,873

Sales are recognised on the date of booking.

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

3. Judgements in applying accounting policies and key sources of estimation and uncertainty

The company may be required to make estimates and assumptions concerning the future. These estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The principal areas where judgement was exercised are as follows: At this time, the directors do not consider that there are any significant judgements in the financial statements.

4. Other operating income

	2018	2017
	£	£
Rental income	74,005	89,041

5. Operating profit

Operating profit is stated after charging/(crediting):

	2018	2017
	£	£
Impairment of trade debtors	9	-
Foreign exchange differences	47,510	(26,685)

6. Auditors remuneration

	2018	2017
	£	£
Fees payable to Crowe U.K. LLP		
Fees payable for the audit of the financial statements	15,000	12,000
Fees payable to the company's auditor and its associates for other services:		
Other non-audit services	-	4,000

7. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2018	2017
Management and Administration	4	5

The aggregate payroll costs incurred during the year were:

	2018	2017
	£	£
Wages and salaries	269,561	270,704
Social security costs	32,221	32,018
	301,782	302,722

8. Other interest receivable and similar income

	2018	2017
	£	£
Bank deposits	878	64

9. Interest payable and similar expenses

	2018	2017
	£	£
Other interest payable and similar expenses	-	1,609

10. Tax on profit

Major components of tax expense

	2018	2017
	£	£
Current tax:		
UK current tax expense	1,581,758	1,856,872
Tax on profit	1,581,758	1,856,872

Reconciliation of tax expense

The tax assessed on the profit for the year is higher than (2017: lower than) the standard rate of corporation tax in the UK of 19.00% (2017: 20.00%).

	2018	2017
	£	£
Profit before taxation	8,162,584	9,560,403
Profit multiplied by rate of tax	1,550,891	1,912,081
Effect of expenses not deductible for tax purposes	30,867	870
Reduction in tax rate to 19%	-	(56,079)
Tax on profit	1,581,758	1,856,872

11. Investments

	Other investments other than loans	Total
	£	£
Cost		
At 1 November 2017	-	-
Additions	10,000,000	10,000,000
Other movements	411	411
At 31 October 2018	10,000,411	10,000,411
Impairment		
At 1 November 2017 and 31 October 2018	-	-
Carrying amount		
At 31 October 2018	10,000,411	10,000,411
At 31 October 2017	-	-

The investment value represents cash invested in an investment fund during the year to 31.10.2018. As at 31.10.2018 the entire balance represents cash held within the investment fund.

12. Debtors

	2018	2017
	£	£
Trade debtors	1,854,943	2,043,074
Amounts owed by group undertakings	42,379,014	24,144,284
Prepayments and accrued income	73,888	51,658
Other debtors	336,853	220,407
	44,644,698	26,459,423

13. Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	2,882,555	3,216,125
Amounts owed to group undertakings	38,772,904	23,799,627
Accruals and deferred income	103,364	117,018
Corporation tax	(48,352)	857,777
	41,710,471	27,990,547

14. Called up share capital
Issued, called up and fully paid

	2018		2017	
	No	£	No	£
Ordinary shares shares of £ 1.00 each	50,000	50,000	50,000	50,000

15. Contingent assets and liabilities

There is a contingent liability amounting to £9,266,990 (2017 - £9,268,252) in respect of flights and holidays sold but not taken at the balance sheet date. The company has a contingent liability to the companys' bankers as follows: unlimited guarantee to Lotus Group Ltd by debenture dated 8.12.1988; and a debenture dated 28.09.06. Lotus Travel Limited has provided an unlimited guarantee to Lotus International Limited.

16. Related party transactions

The company's immediate parent holding company is Lotus Group Limited, incorporated in England. It has included this company in its group accounts. Copies of the group accounts are available from its registered office: Sandpiper House, 37-39 Queen Elizabeth Street, London. SE1 2BT. The group has taken advantage of FRS 102 Section 33.7. not to disclose details of transactions between entities that are part of the group, where the financial statements are publicly available and 100% of the voting rights are controlled within the group. Key management personnel are considered to be the directors and their remuneration is disclosed in note 8.

17. Controlling party

The company is under the immediate control of Lotus Group Limited which holds 100% (100%-2017) of the issued share capital of the company. The company is under the ultimate control of the directors by virtue of their 100% (2017-100%) shareholding.

Lotus Travel Limited

Year ended 31 October 2018

	2018	2017
	£	£
Turnover		
Golf sales (54)	6,377,436	6,963,956
Inclusive Tours	227,545,228	218,035,826
Commissions receivable	10,514	6,091
	233,933,178	225,005,873
Cost of sales		
Agent's commission	(209,803,623)	(200,742,435)
Credit card charges	(13,549)	(15,070)
Ski costs	(14,477)	(14,848)
Golf costs	(5,469,957)	(6,036,716)
	(215,301,606)	(206,809,069)
Gross profit	18,631,572	18,196,804
Gross profit percentage	8.0%	8.1%
Overheads		
Administrative expenses	(10,543,871)	(8,723,897)
	(10,543,871)	(8,723,897)
Other operating income		
Rent receivable	74,005	89,041
	74,005	89,041
Operating profit	8,161,706	9,561,948
Operating profit percentage	3.5%	4.2%
Other interest receivable and similar income	878	64
Interest payable and similar charges	-	(1,609)
Profit before taxation	8,162,584	9,560,403

Detailed income statement (continued)
Year ended 31 October 2018

	2018	2017
	£	£
Overheads		
Administrative expenses		
Wages and salaries	(269,561)	(270,704)
Employer's NI contributions	(32,221)	(32,018)
Apprenticeship levy	(1,007)	(611)
Staff training	(303)	(171)
Bonding IATA/ATOL/CAA	(443,460)	(414,760)
Rent payable	(139,010)	(140,380)
Storage costs	-	(711)
Rates	(17,118)	(17,306)
TVA payable in France	-	(12,901)
Service charges	(940)	(711)
Insurance	(121,164)	(82,263)
Security	(321)	(549)
Light and heat	(3,495)	(6,539)
Cleaning	(3,106)	(3,155)
Repairs and maintenance	(78,912)	(14,359)
Printing, postage and stationery	(29,038)	(19,241)
Advertising and marketing	(4,417,049)	(4,596,867)
Trade promotions and brochures	(28,652)	(42,749)
Courier	(1,776)	(1,796)
Direct marketing	(608)	(9,550)
Telephone	(176,085)	(156,972)
Brochures and discounts	(1,490)	(1,637)
Computer equipment maintenance	(110,711)	(47,390)
Software development	(168,339)	(162,158)
VAT on TOMS	(497,622)	(575,654)
Management charge	(2,538,400)	(1,788,400)
Travelling	(191,966)	(172,131)
Entertaining	(10,518)	(3,609)
Non allowable client expenses	(86,694)	-
Accomodation costs	(6,641)	(13,718)
Legal and professional	(96,912)	(128,417)
Consultancy fees	(174)	(600)
Accountancy fees	-	(4,000)
Auditors remuneration	(15,000)	(12,000)
Bank charges	(3,501)	1,253
Bad debts	(9)	-
Profit on exchange	(47,510)	26,685
Staff welfare	(482)	(1,000)
Staff welfare disallowable	(1,026)	(741)
Staff trivial benefits	(875)	(1,033)
General expenses	(165)	(13,616)
Staff recruitment	(1,212)	(751)
Charitable donations	(1,000,000)	-
Subscriptions	(473)	(430)

Detailed income statement (continued)
Year ended 31 October 2018

	2018	2017
	£	£
Books and publications	(325)	(237)
	(10,543,871)	(8,723,897)