Group Strategic Report, Directors' Report and

Audited Consolidated Financial Statements for the Year Ended 31 October 2016

for

Vivid Skies Limited

THURSDAY

A67OFKQG

A13 01/06/2017 #392

COMPANIES HOUSE

Vivid Skies Limited

Contents of the Consolidated Financial Statements for the Year Ended 31 October 2016

	Page
Company Information	1
Group Strategic Report	2 to 3
Directors' Report	4 to 5
Report of the Independent Auditors	6
Consolidated Statement of Comprehensive Income	7
Consolidated Statement of Financial Position	8
Company Statement of Financial Position	9
Consolidated Statement of Changes in Equity	10
Company Statement of Changes in Equity	11
Consolidated Statement of Cash Flows	12
Notes to the Consolidated Financial Statements	13 to 23
Reconciliation of Equity	24 to 25
Reconciliation of Profit	26
Consolidated Trading and Profit and Loss Account	27 to 28

Vivid Skies Limited

Company Information
for the Year Ended 31 October 2016

DIRECTORS:	M G Collins Ms J Collins D A Hennessy B D Sargent A P Stafford Ms M A J Longstaff C Hawkins Ms C W Mehmood
SECRETARY:	Ms J Collins
REGISTERED OFFICE:	East House 109 South Worple Way London SW14 8TN
REGISTERED NUMBER:	05425421 (England and Wales)
AUDITORS:	White Hart Associates (London) Limited Chartered Accountants and Statutory Auditors East House 109 South Worple Way London SW14 8TN
SOLICITORS:	Irwin Mitchell LLP Belmont House Station Way Crawley RH10 1JA

Group Strategic Report
for the Year Ended 31 October 2016

The directors present their strategic report of the Company and the Group for the year ended 31 October 2016.

REVIEW OF BUSINESS

The results for the Group for the year are as follows:

	2016 £	2015 £
Turnover	41,419,993	41,421,710
Profit/(Loss) on ordinary activities before taxation	439,108	102,614
Profit/(Loss) on ordinary activities as a percentage of Turnover	1.06%	0.25%
Net cash inflow from operating activities	664,019	1,975,274
Net Assets	2,136,292	1,674,500

The directors consider these to be satisfactory results in line with the general economy and the extremely competitive environment in which the Group has and continues to operate.

PRINCIPAL RISKS AND UNCERTAINTIES

The following risk factors may affect the Group's operating results and its financial position. The risk factors described below are those which the directors believe are potentially significant but should not be regarded as a complete and comprehensive statement of all potential risk and uncertainties facing the Group.

The Group operates in a highly competitive market featuring innovation in the travel products and the methods by which it is marketed, as well as price pressures. The Group seeks to constantly invest in its brand to increase public awareness as well as offer a wide selection of products from a wide range of suppliers at competitive prices to maintain its market position. The Group also monitors competitor activity closely.

The Group faces transactional exposure primarily relating to the cost of acquiring accommodation. This risk is managed by forward buying foreign currencies to match requirements as they are generated by customer bookings.

The Group has well established and close relationships with customers and 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.

The Group is heavily reliant on the uninterrupted operation of its IT systems and website. These systems are vulnerable to power loss, fire, computer viruses and other events. Loss of these systems would impair the ability of the company to carry on its business effectively. The Group has made arrangements to mitigate this risk.

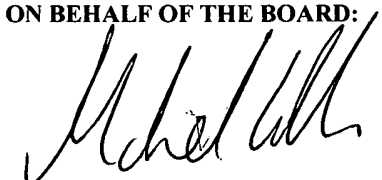
The Group finances its operations through retained profits.

The nature of the business exposes the Group to various commercial risks which may affect the trading performance of the Group. These include:

- acts of terrorism, particularly in key tourist destinations
- epidemics in key tourist destinations which threaten the health of tourists
- wars or other international uncertainty which affects air travel
- natural disasters in key tourist destinations
- weather conditions, both in the UK and key tourist destinations
- changes in customer behaviour and preferences
- increase in government taxes

These factors may affect the Group by causing potential customers to cancel or postpone travel plans, reducing the earnings potential of the Group. The Group seeks to minimise such risks by operating a flexible non-commitment business model with the ability to shift capacity amongst a variety of destinations where necessary.

ON BEHALF OF THE BOARD:



M G Collins - Director

19 January 2017

Directors' Report
for the Year Ended 31 October 2016

The directors present their report with the financial statements of the Company and the Group for the year ended 31 October 2016.

PRINCIPAL ACTIVITY
The principal activity of the Group in the year under review was that of a holding company. The Company's two 100% owned trading subsidiaries, Tropical Sky Limited (UK) and Tropical Sky Limited (Ireland) are both travel companies, acting as tour operators and travel agents.

DIVIDENDS
No dividends will be distributed for the year ended 31 October 2016.

RESEARCH AND DEVELOPMENT
The Group's growth requires investment in cutting edge technology and the ability to deliver fast, innovative and effective search results for consumers in a market that has seen significant technological advances in recent years. During the year the Group made significant investment into software development as well as creating bridging software to improve the efficiency of its internal booking reservation and other systems.

FUTURE DEVELOPMENTS
During 2017 the Group will continue to focus on providing overseas holidays to a variety of long haul destinations.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 November 2015 to the date of this report.

M G Collins
Ms J Collins
D A Hennessy
B D Sargent
A P Stafford
Ms M A J Longstaff
C Hawkins
Ms C W Mehmood

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 the Group and of the profit or loss of the Group 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

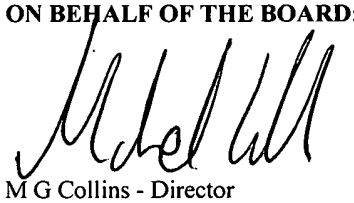
STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

ON BEHALF OF THE BOARD:



M G Collins - Director

19 January 2017

Report of the Independent Auditors to the Members of Vivid Skies Limited

We have audited the financial statements of Vivid Skies Limited for the year ended 31 October 2016 on pages seven to twenty six. 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

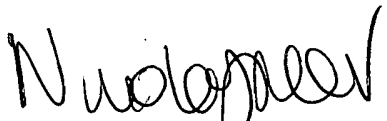
Respective responsibilities of directors and auditors
As explained more fully in the Statement of Directors' Responsibilities set out on pages four and five, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements
A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements
In our opinion the financial statements:
- give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 October 2016 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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 Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



Ms N A Spoor ACA FCCA (Senior Statutory Auditor)
for and on behalf of White Hart Associates (London) Limited
Chartered Accountants and Statutory Auditors
East House
109 South Worple Way
London
SW14 8TN

19 January 2017

Vivid Skies Limited

Consolidated Statement of Comprehensive Income
for the Year Ended 31 October 2016

	Notes	2016 £	2016 £	2015 £	2015 £
REVENUE	2		41,419,993		41,421,710
Cost of sales			35,771,980		35,942,864
GROSS PROFIT			5,648,013		5,478,846
Distribution costs		1,095,602		1,031,627	
Administrative expenses		4,204,597		4,045,445	
			5,300,199		5,077,072
			347,814		401,774
Other operating income			91,127		(100,584)
OPERATING PROFIT	5		438,941		301,190
Exceptional items	6		-		197,789
			438,941		103,401
Interest receivable and similar income			167		92
			439,108		103,493
Interest payable and similar charges	7		-		879
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			439,108		102,614
Tax on profit on ordinary activities	8		(22,684)		(54,359)
PROFIT FOR THE FINANCIAL YEAR			461,792		156,973
OTHER COMPREHENSIVE INCOME			-		-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			461,792		156,973
Profit attributable to:					
Owners of the parent			461,792		156,973
Total comprehensive income attributable to:					
Owners of the parent			461,792		156,973

The notes form part of these financial statements

Consolidated Statement of Financial Position
31 October 2016

	Notes	2016 £	2016 £	2015 £	2015 £
FIXED ASSETS					
Intangible assets	10		97,734		112,397
Property, plant and equipment	11		688,228		786,936
Investments	12		-		-
			785,962		899,333
CURRENT ASSETS					
Inventories	13	-		30,695	
Debtors	14	10,976,434		10,938,926	
Cash at bank		6,214,772		5,718,039	
		17,191,206		16,687,660	
CREDITORS					
Amounts falling due within one year	15	15,840,876		15,769,654	
NET CURRENT ASSETS			1,350,330		918,006
TOTAL ASSETS LESS CURRENT LIABILITIES			2,136,292		1,817,339
CREDITORS					
Amounts falling due after more than one year	16		-		(120,000)
PROVISIONS FOR LIABILITIES	19		-		(22,839)
NET ASSETS			2,136,292		1,674,500
CAPITAL AND RESERVES					
Called up share capital	20		127,500		127,500
Share premium	21		5,000		5,000
Retained earnings	21		2,003,792		1,542,000
SHAREHOLDERS' FUNDS			2,136,292		1,674,500

The financial statements were approved by the Board of Directors on 19 January 2017 and were signed on its behalf by:

M G Collins - Director

Ms J Collins - Director

The notes form part of these financial statements

Company Statement of Financial Position
31 October 2016

	Notes	2016 £	2016 £	2015 £	2015 £
FIXED ASSETS					
Intangible assets	10		-		-
Property, plant and equipment	11		-		-
Investments	12		244,827		244,827
			244,827		244,827
CURRENT ASSETS					
Debtors	14	13,903		113,903	
CREDITORS					
Amounts falling due within one year	15	94,827		94,827	
NET CURRENT (LIABILITIES)/ASSETS			(80,924)		19,076
TOTAL ASSETS LESS CURRENT LIABILITIES			163,903		263,903
CREDITORS					
Amounts falling due after more than one year	16		-		100,000
NET ASSETS			163,903		163,903
CAPITAL AND RESERVES					
Called up share capital	20		127,500		127,500
Share premium	21		5,000		5,000
Retained earnings	21		31,403		31,403
SHAREHOLDERS' FUNDS			163,903		163,903

The financial statements were approved by the Board of Directors on 19 January 2017 and were signed on its behalf by:

M G Collins - Director

Ms J Collins - Director

The notes form part of these financial statements

Vivid Skies Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 October 2016

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 November 2014	125,000	1,385,027	-	1,510,027
Changes in equity				
Issue of share capital	2,500	-	5,000	7,500
Total comprehensive income	-	156,973	-	156,973
Balance at 31 October 2015	127,500	1,542,000	5,000	1,674,500
Changes in equity				
Total comprehensive income	-	461,792	-	461,792
Balance at 31 October 2016	127,500	2,003,792	5,000	2,136,292

The notes form part of these financial statements

Vivid Skies Limited

Company Statement of Changes in Equity for the Year Ended 31 October 2016

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 November 2014	125,000	31,403	-	156,403
Changes in equity				
Issue of share capital	2,500	-	5,000	7,500
Balance at 31 October 2015	127,500	31,403	5,000	163,903
Changes in equity				
Balance at 31 October 2016	127,500	31,403	5,000	163,903

The notes form part of these financial statements

Vivid Skies Limited

Consolidated Statement of Cash Flows
for the Year Ended 31 October 2016

	Notes	2016 £	2015 £
Cash flows from operating activities			
Cash generated from operations	26	627,019	1,976,393
Interest paid		-	(879)
Tax paid		37,000	(240)
Net cash from operating activities		664,019	1,975,274
Cash flows from investing activities			
Purchase of intangible fixed assets		-	(75,000)
Purchase of tangible fixed assets		(167,453)	(212,261)
Interest received		167	92
Net cash from investing activities		(167,286)	(287,169)
Cash flows from financing activities			
Share issue		-	2,500
Net cash from financing activities		-	2,500
Increase in cash and cash equivalents		496,733	1,690,605
Cash and cash equivalents at beginning of year	27	5,718,039	4,027,434
Cash and cash equivalents at end of year	27	6,214,772	5,718,039

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements
These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Basis of consolidation
The financial statements reflect the results of the Vivid Skies Limited which comprise of the Company and its two trading subsidiaries.

Turnover
Turnover represents the value, net of value added tax, trade discounts or any other sales taxes, of travel arrangements provided to customers in the ordinary course of business, and is recognised on the date of booking basis.

Intangible fixed assets and amortisation
Goodwill is the difference between amounts on the acquisition of a business and the fair value of the separable net assets. It is amortised to the income statement over its estimated economic life of ten years.

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

Short leasehold	Straight line over the lifetime of the lease
Computer and IT equipment	Straight line over 5 years
Fixtures and fittings	Straight line over 10 years

Stocks
Stock is valued at the lower of cost and net realisable value and relates to attraction tickets and other miscellaneous promotional items.

Deferred tax
Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes.

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

Foreign currencies
Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments
Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits
The Group operates a defined contribution pension scheme and makes contributions in respect of qualifying services for personal savings retirement accounts. Contributions payable for the year are charged in the profit and loss account.

continued...

1. ACCOUNTING POLICIES - continued

Website development costs
Included in tangible fixed assets are website development costs. The directors are of the opinion that the website will, and has, generated revenues directly and that the present value of the current and future cash flows to be generated by the website will be no less than the amounts capitalised.

Derivative 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 at 31 October 2016.

The resulting gain or loss is recognised immediately in the Statement of Comprehensive Income, to match the related gain or loss on trade creditors payable in foreign currencies.

The total gain or loss on trading derivatives is classified as a current asset or liability respectively.

2. REVENUE

The revenue and profit before taxation are attributable to the one principal activity of the Group.

An analysis of revenue by class of business is given below:

	2016	2015
	£	£
Tour operator holiday sales	41,419,993	41,421,710
	41,419,993	41,421,710

An analysis of revenue by geographical market is given below:

	2016	2015
	£	£
United Kingdom	31,498,483	32,660,349
Ireland	9,921,510	8,761,361
	41,419,993	41,421,710

3. STAFF COSTS

	2016	2015
	£	£
Wages and salaries	2,658,721	2,582,629
Social security costs	269,065	256,584
Other pension costs	48,368	8,561
	2,976,154	2,847,774

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

	2016	2015
Administration	23	25
Marketing	9	8
Sales	64	69
	96	102

continued...

4. DIRECTORS' EMOLUMENTS

	2016	2015
	£	£
Directors' remuneration	640,789	349,031
Directors' pension contributions to money purchase schemes	35,547	260

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	7	6

Information regarding the highest paid director is as follows:

	2016	2015
	£	£
Emoluments etc	118,001	93,483
Pension contributions to money purchase schemes	369	65

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2016	2015
	£	£
Hire of plant and machinery	551	32,226
Depreciation - owned assets	266,161	246,227
Goodwill amortisation	14,663	14,663
Auditors' remuneration	24,728	22,890
Foreign exchange differences	(91,127)	100,584
Auditors' remuneration for non audit work	12,595	5,403

6. EXCEPTIONAL ITEMS

	2016	2015
	£	£
Staff redundancies	-	117,538
Termination of consulting contracts	-	80,251
	-	197,789

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2016	2015
	£	£
Bank and other interest	-	879

continued...

8. TAXATION

Analysis of the tax credit

The tax credit on the profit on ordinary activities for the year was as follows:

	2016 £	2015 £
Current tax:		
UK corporation tax - prior year adjustment	7,837	(49,526)
Ireland corporation tax	17,245	7,240
Total current tax	25,082	(42,286)
Deferred tax	(47,766)	(12,073)
Tax on profit on ordinary activities	(22,684)	(54,359)

Reconciliation of total tax credit included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	439,108	102,614
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20%)	87,822	20,523
Effects of:		
Expenses not deductible for tax purposes	(2,628)	5,076
Capital allowances in excess of depreciation	-	(4,169)
Depreciation in excess of capital allowances	2,535	-
Utilisation of tax losses	(45,206)	(18,811)
Adjustments to tax charge in respect of previous periods	7,837	(49,526)
Profit taxed outside the UK	(12,209)	4,621
Movement in deferred tax	(47,766)	(12,073)
Research and development tax relief	(13,069)	-
Total tax credit	(22,684)	(54,359)

9. PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £0 (2015 - £0).

continued...

10. INTANGIBLE FIXED ASSETS

Group

	Goodwill £
COST	
At 1 November 2015 and 31 October 2016	151,132
AMORTISATION	
At 1 November 2015	38,735
Amortisation for year	14,663
At 31 October 2016	53,398
NET BOOK VALUE	
At 31 October 2016	97,734
At 31 October 2015	112,397

The intangible fixed assets relate to goodwill, which is being written off in equal annual instalments over its estimated economic life of 10 years.

11. PROPERTY, PLANT AND EQUIPMENT

Group

	Short leasehold £	Plant and machinery £	Totals £
COST			
At 1 November 2015	252,874	1,589,553	1,842,427
Additions	-	167,453	167,453
Disposals	(35,282)	(12,118)	(47,400)
At 31 October 2016	217,592	1,744,888	1,962,480
DEPRECIATION			
At 1 November 2015	78,801	976,690	1,055,491
Charge for year	21,759	244,402	266,161
Eliminated on disposal	(35,282)	(12,118)	(47,400)
At 31 October 2016	65,278	1,208,974	1,274,252
NET BOOK VALUE			
At 31 October 2016	152,314	535,914	688,228
At 31 October 2015	174,073	612,863	786,936

continued...

12. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 November 2015 and 31 October 2016	244,827
NET BOOK VALUE	
At 31 October 2016	244,827
At 31 October 2015	244,827

The Group or the Company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Subsidiaries

Tropical Sky Limited
Country of incorporation: UK
Nature of business: Tour Operator

	% holding
Class of shares:	
Ordinary	100.00

	2016 £	2015 £
Aggregate capital and reserves	1,502,917	1,186,225
Profit for the year	316,692	183,600

Tropical Sky Limited
Country of incorporation: Ireland
Nature of business: Travel agent

	% holding
Class of shares:	
Ordinary	100.00

	2016 £	2015 £
Aggregate capital and reserves	681,609	508,969
Profit/(loss) for the year	172,640	(27,130)

Tropical Sky Hotels Limited
Country of incorporation: UK
Nature of business: Dormant

	% holding
Class of shares:	
Ordinary	100.00

Australian Sky Limited
Country of incorporation: UK
Nature of business: Dormant

	% holding
Class of shares:	
Ordinary	100.00

continued...

12. **FIXED ASSET INVESTMENTS - continued**

American Sky Limited
Country of incorporation: UK
Nature of business: Dormant

	%
Class of shares:	holding
Ordinary	100.00

Africa Sky Limited
Country of incorporation: UK
Nature of business: Dormant

	%
Class of shares:	holding
Ordinary	100.00

Tropical Skies Limited
Country of incorporation: UK
Nature of business: Dormant

	%
Class of shares:	holding
Ordinary	100.00

13. **STOCKS**

	Group	
	2016	2015
	£	£
Stocks	-	30,695

There were no attraction tickers or other promotional items held at 31 October 2016.

14. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Trade debtors	10,130,025	10,717,178	-	-
Amounts owed by group undertakings	-	-	13,903	113,903
Other debtors	33,104	1,815	-	-
Foreign exchange derivative asset	696,671	105,143	-	-
Corporation tax	-	42,526	-	-
VAT	-	9,212	-	-
Deferred tax asset	28,356	-	-	-
Prepayments and accrued income	88,278	63,052	-	-
	10,976,434	10,938,926	13,903	113,903

Deferred tax asset

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Deferred tax	28,356	-	-	-

continued...

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Other loans (see note 17)	100,000	127,000	-	-
Trade creditors	15,611,985	15,496,984	-	-
Amounts owed to group undertakings	-	-	94,827	94,827
Corporation tax	19,556	-	-	-
Social security and other taxes	80,656	48,985	-	-
VAT	1,758	-	-	-
Other creditors	2,137	22,644	-	-
Accruals and deferred income	24,784	74,041	-	-
	15,840,876	15,769,654	94,827	94,827

The other loans of the Group in the sum of £100,000 (2015 - £227,000) are subject to subordinated undertakings in favour of the Civil Aviation Authority in relation to the Group's ATOL licences and cannot be repaid without the Civil Aviation Authority's prior written consent.

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Other loans (see note 17)	-	100,000	-	100,000
Other creditors	-	20,000	-	-
	-	120,000	-	100,000

17. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Amounts falling due within one year or on demand:				
Other loans	100,000	127,000	-	-
Amounts falling due between two and five years:				
Other loans - 2-5 years	-	100,000	-	100,000

continued...

18. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

Group

	2016	2015
	£	£
Within one year	129,618	116,727
Between one and five years	452,288	441,169
In more than five years	198,016	289,408
	779,922	847,304

19. PROVISIONS FOR LIABILITIES

	Group	
	2016	2015
	£	£
Deferred tax	-	22,839

Group

	Deferred tax
	£
Balance at 1 November 2015	
As previously reported	26,210
Prior year adjustment	(3,371)
As restated	22,839
Credit to Statement of Comprehensive Income during year	(47,766)
Movement due to exchange rate	(3,429)
Balance at 31 October 2016	(28,356)

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2016	2015
			£	£
102,500	A Ordinary	£1	102,500	102,500
15,000	B Ordinary	£1	15,000	15,000
10,000	C Ordinary	£1	10,000	10,000
			127,500	127,500

continued...

21. RESERVES

Group

	Retained earnings £	Share premium £	Totals £
At 1 November 2015	1,542,000	5,000	1,547,000
Profit for the year	461,792		461,792
At 31 October 2016	2,003,792	5,000	2,008,792

Company

	Retained earnings £	Share premium £	Totals £
At 1 November 2015	31,403	5,000	36,403
Profit for the year	-		-
At 31 October 2016	31,403	5,000	36,403

22. PENSION COMMITMENTS

The Pension Scheme is administered by Standard Life and is a defined contribution scheme. The Group also makes contributions in respect of qualifying services for personal savings retirement accounts. The pension costs for the year were £48,368 (2015 - £8,561). Outstanding contributions amounted to £2,137 (2015 - £2,644) at the year end.

23. CONTINGENT LIABILITIES

As at 31 October 2016, there were contingent liabilities in relation to counter indemnities given by the Company and the Group, in the normal course of business, to travel bond insurance obligors, with regards to Commission for Aviation Regulation, Civil Aviation Authority and IATA travel bonds amounting to £484,219 (2015 - £370,899).

24. RELATED PARTY DISCLOSURES

Tropical Sky Vacations LLC

A company registered in Delaware, USA in which the directors, M G Collins and D A Hennessy, are shareholders.

	2016 £	2015 £
Amount due from related party at the statement of financial position date (included within trade debtors)	-	105,508

25. ULTIMATE CONTROLLING PARTY

The Company's controlling parties are M G Collins and Ms J Collins, by virtue of their beneficial ownership of 62.75% of the issued and paid up share capital in the Company.

continued...

26. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2016	2015
	£	£
Profit before taxation	439,108	102,614
Depreciation charges	280,824	260,890
Fair value movement in derivatives	(580,425)	(197,789)
Finance costs	-	879
Finance income	(167)	(92)
	139,340	166,502
Decrease/(increase) in inventories	30,695	(30,695)
Decrease/(increase) in trade and other debtors	505,319	(368,217)
(Decrease)/increase in trade and other creditors	(48,335)	2,208,803
Cash generated from operations	627,019	1,976,393

27. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Consolidated Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 October 2016

	31/10/16	1/11/15
	£	£
Cash and cash equivalents	6,214,772	5,718,039

Year ended 31 October 2015

	31/10/15	1/11/14
	£	£
Cash and cash equivalents	5,718,039	4,027,434

28. PRESENTATION CURRENCY

The financial statements are presented in Sterling.

29. LEGAL FORM OF ENTITY AND COUNTRY OF INCORPORATION

Vivid Skies Limited is a private company limited by shares, incorporated in England.

30. PRINCIPAL PLACE OF BUSINESS

The address of the Group's principal place of business, being different to the registered office stated on page 1, is:

Tropical House
Garland Road
East Grinstead
RH19 1NJ

Reconciliation of Equity
1 November 2014
(Date of Transition to FRS 102)

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Intangible assets		52,060	-	52,060
Property, plant and equipment		820,902	-	820,902
		872,962	-	872,962
CURRENT ASSETS				
Debtors		10,348,881	218,718	10,567,599
Prepayments and accrued income		71,032	-	71,032
Cash at bank		4,027,434	-	4,027,434
		14,447,347	218,718	14,666,065
CREDITORS				
Amounts falling due within one year		(13,548,613)	(197,927)	(13,746,540)
NET CURRENT ASSETS		898,734	20,791	919,525
TOTAL ASSETS LESS CURRENT LIABILITIES		1,771,696	20,791	1,792,487
CREDITORS				
Amounts falling due after more than one year		(227,000)	-	(227,000)
PROVISIONS FOR LIABILITIES		(43,544)	4,642	(38,902)
ACCRUALS AND DEFERRED INCOME		(21,568)	-	(21,568)
NET ASSETS		1,479,584	25,433	1,505,017
CAPITAL AND RESERVES				
Called up share capital		125,000	-	125,000
Retained earnings		1,354,584	25,433	1,380,017
SHAREHOLDERS' FUNDS		1,479,584	25,433	1,505,017

The notes form part of these financial statements

continued...

Reconciliation of Equity - continued
31 October 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Intangible assets		112,397	-	112,397
Property, plant and equipment		786,936	-	786,936
		899,333	-	899,333
CURRENT ASSETS				
Inventories		30,695	-	30,695
Debtors		10,833,783	105,143	10,938,926
Cash at bank		5,716,857	1,182	5,718,039
		16,581,335	106,325	16,687,660
CREDITORS				
Amounts falling due within one year		(15,672,792)	(96,862)	(15,769,654)
NET CURRENT ASSETS		908,543	9,463	918,006
TOTAL ASSETS LESS CURRENT LIABILITIES		1,807,876	9,463	1,817,339
CREDITORS				
Amounts falling due after more than one year		(120,000)	-	(120,000)
PROVISIONS FOR LIABILITIES		(26,210)	3,371	(22,839)
NET ASSETS		1,661,666	12,834	1,674,500
CAPITAL AND RESERVES				
Called up share capital		127,500	-	127,500
Share premium		5,000	-	5,000
Retained earnings		1,529,166	12,834	1,542,000
SHAREHOLDERS' FUNDS		1,661,666	12,834	1,674,500

The notes form part of these financial statements

Reconciliation of Profit
for the Year Ended 31 October 2015

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
REVENUE	41,421,710	-	41,421,710
Cost of sales	(36,011,144)	68,280	(35,942,864)
GROSS PROFIT	5,410,566	68,280	5,478,846
Distribution costs	(1,031,627)	-	(1,031,627)
Administrative expenses	(4,066,422)	20,977	(4,045,445)
Other operating income	-	(100,584)	(100,584)
OPERATING PROFIT	312,517	(11,327)	301,190
Exceptional items	(197,789)	-	(197,789)
Interest receivable and similar income	92	-	92
Interest payable and similar charges	(879)	-	(879)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	113,941	(11,327)	102,614
Tax on profit on ordinary activities	60,641	(6,282)	54,359
PROFIT FOR THE FINANCIAL YEAR	174,582	(17,609)	156,973
Profit attributable to:			
Owners of the parent	174,582	(17,609)	156,973

The notes form part of these financial statements

Vivid Skies Limited

Consolidated Trading and Profit and Loss Account for the Year Ended 31 October 2016

	2016		2015	
	£	£	£	£
Sales		41,419,993		41,421,710
Cost of sales				
Purchases		35,771,980		35,942,864
GROSS PROFIT		5,648,013		5,478,846
Distribution costs				
Advertising and PR		1,095,602		1,031,627
		4,552,411		4,447,219
Establishment costs				
Rent	151,253		125,711	
Rates and water	36,550		27,590	
Light and heat	21,641		15,254	
Service charges	4,825		3,103	
		214,269		171,658
		4,338,142		4,275,561
Administrative expenses				
Directors' salaries	597,485		307,937	
Directors' pension contributions	35,547		260	
Wages	2,061,236		2,274,692	
Social security	269,065		256,584	
Pensions	12,821		8,301	
Hire of plant and machinery	551		32,226	
Telephone	64,288		84,182	
Printing postage and stationery	15,159		19,496	
Travel and subsistence	84,005		85,046	
Motor vehicle leasing charges	32,913		24,026	
Insurance	35,570		26,152	
Repairs and renewals	30,094		25,397	
Staff training and welfare	34,328		53,688	
Temporary staff and recruitment	76,009		81,412	
Computer and IT costs	209,615		171,598	
Licencing and bonding	63,368		66,324	
Entertainment	5,981		3,225	
Accountancy	14,285		2,557	
Consultancy	18,599		17,522	
Other legal and professional	23,501		30,355	
Auditors' remuneration	24,728		22,890	
Amortisation of intangible fixed assets	14,663		14,663	
Depreciation of tangible fixed assets	266,161		246,227	
		3,989,972		3,854,760
		348,170		420,801
Finance costs				
Bank and credit card charges		356		19,027
Carried forward		347,814		401,774

Vivid Skies Limited

Consolidated Trading and Profit and Loss Account
for the Year Ended 31 October 2016

	2016		2015	
	£	£	£	£
Brought forward		347,814		401,774
Other operating income				
Exchange gains/(losses)		91,127		(100,584)
		438,941		301,190
Exceptional items				
Exceptional items		-		197,789
		438,941		103,401
Finance income				
Deposit account interest		167		92
		439,108		103,493
Finance costs				
Bank and other interest		-		879
NET PROFIT		439,108		102,614