

Company registration number: 08994196

DISTANT JOURNEYS LTD

Financial statements

31 August 2017



DISTANT JOURNEYS LTD

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DISTANT JOURNEYS LTD

Directors and other information

Directors	Andrew Laycock Richard Hanson Simon Whittle
Company number	08994196
Registered office	8 Hattersley Court Ormskirk Lancashire L39 2AY
Business address	8 Hattersley Court Ormskirk Lancashire L39 2AY
Auditor	Clarke Broome & Fleming 223 Church Street Blackpool Lancashire FY1 3PB

DISTANT JOURNEYS LTD

Strategic report Period ended 31 August 2017

Principal Activities

The principal activity is the provision of escorted tours to Australia and New Zealand.

Review of the Business

This is the third year of trading as tour operators, concentrating on escorted tours to Australia and New Zealand. The directors are pleased with the progress of the business and the results achieved.

Review of 2017 Results

Turnover in the Period was £8,039,081(2016 - £8,223,082) a decrease due to the change in the accounting year end. Overall gross profit margin rates are in line with budgeted forecasts. This has resulted in an operating profit for the period of £875,507 (2016 - £1,003,565)

Review of Developments and Future Prospects

The sales and commercial teams are in the process of identifying additional destinations and have released in the 18/19 brochure India. This will be targeted at the existing customer base so that renewal of business is an option. The company are pleased with the bookings level for 2017/18 which stands at 2221.

Principal Risks and Uncertainties

There are a number of potential risks and uncertainties which could have a material impact on the company's performance, which are:-

Financial Instrument Risk

The company is reliant on directors' loans which are subordinated to the CAA and are repayable over one year.

Foreign Currency Fluctuations

The company's local currency is pounds sterling but many of the services are from suppliers in overseas destinations. These purchases are denominated in local currency. As a result, the company is subject to foreign currency exchange risk due to exchange rate movements between pounds sterling and overseas currencies. The company seeks to reduce this risk by entering into forward exchange contracts and more complex hedging structures.

Key Performance Indicators

The company established key performance indicators to measure the progress of the company in achieving both its business objectives and strategy. The executive team reviews performance against these at monthly meetings. The indicators are:

	2017	2016
Passengers travelled	1,454	1,613
Passengers booked	2,221	1,412
Gross Margin	24.8%	25.3%

Commercial Relationships

The company benefits from close commercial relationships with a number of key suppliers. The loss of any of these suppliers, or a significant worsening in commercial terms could have a material impact on results.

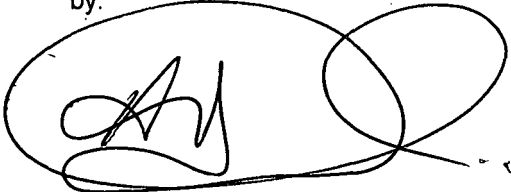
Competitors

The company operates in a highly competitive market and as such results must be achieved by finding unique selling points or by superior experiences.

DISTANT JOURNEYS LTD

Strategic report (continued)
Period ended 31 August 2017

This report was approved by the board of directors on 11 December 2017 and signed on behalf of the board by:

A handwritten signature in black ink, consisting of a stylized 'A' followed by a large, sweeping loop that extends to the right and then curves back down to the baseline.

Andrew Laycock
Director

DISTANT JOURNEYS LTD

Directors report Period ended 31 August 2017

The directors present their report and the financial statements of the company for the period ended 31 August 2017.

Directors

The directors who served the company during the period were as follows:

Andrew Laycock
Richard Hanson
Simon Whittle

Dividends

The board have decided to pay a dividend of £90,000 for the current year.

Future developments

The directors are optimistic about the future, the number of passengers travelling in the 2017/18 season are at record levels when compared with the previous year.

In September 2017 the company launched the 2018/19 sales brochure with the additional destination of India, combination tour options and a revised itinerary for Australia and New Zealand. Special offers form a key part of the sales policy with discounted rates being offered for mid-flight stopovers.

Financial instruments

The company has prepared a Comprehensive Income Statement under FRS102 in order to show fair value of its assets and liabilities which are subject to foreign exchange contracts.

The management objective is to cover tour costs by entering into currency contracts at the price costed for each tour, this effectively mitigates the risk of currency fluctuations in the market.

Disclosure of information in the strategic report.

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors Report) Regulations 2013 to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 it must be stated in the Directors Report that it has been done. This includes information that would have been included in the business review and the principal risks and uncertainties.

DISTANT JOURNEYS LTD

Directors report (continued) Period ended 31 August 2017

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 period. 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; 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.

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 11 December 2017 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to be 'AL', enclosed within a large, loopy circular flourish.

Andrew Laycock
Director

DISTANT JOURNEYS LTD

Independent auditor's report to the members of DISTANT JOURNEYS LTD Period ended 31 August 2017

Opinion

We have audited the financial statements of DISTANT JOURNEYS LTD for the period ended 31 August 2017 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, 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 FRS 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 August 2017 and of its profit for the period 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

DISTANT JOURNEYS LTD

Independent auditor's report to the members of DISTANT JOURNEYS LTD (continued) Period ended 31 August 2017

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 period 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, 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. we also:

DISTANT JOURNEYS LTD

**Independent auditor's report to the members of
DISTANT JOURNEYS LTD (continued)
Period ended 31 August 2017**

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Martin V Clarke (Senior Statutory Auditor)

For and on behalf of
Clarke Broome & Fleming
Chartered Certified Accountants and Registered Auditors
223 Church Street
Blackpool
Lancashire
FY1 3PB

11 December 2017

DISTANT JOURNEYS LTD

Statement of comprehensive income Period ended 31 August 2017

		Period ended 31/08/17 £	Period ended 30/09/16 £
	Note		
Turnover	3	8,039,081	8,223,082
Cost of sales		(6,044,083)	(6,143,177)
Gross profit		1,994,998	2,079,905
Administrative expenses		(1,119,491)	(1,076,340)
Operating profit	4	875,507	1,003,565
Other interest receivable and similar income	7	(156,973)	231,643
Interest payable and similar expenses	8	-	(15,025)
Profit before taxation		718,534	1,220,183
Tax on profit	9	(176,827)	(108,473)
Profit for the financial period and total comprehensive income		<u>541,707</u>	<u>1,111,710</u>

All the activities of the company are from continuing operations.

The notes on pages 13 to 22 form part of these financial statements.

DISTANT JOURNEYS LTD

Statement of financial position 31 August 2017

	Note	31/08/17 £	£	30/09/16 £	£
Fixed assets					
Tangible assets	11	252,828		254,288	
			252,828		254,288
Current assets					
Debtors	12	1,876,856		1,817,842	
Cash at bank and in hand		5,862,389		3,756,113	
		7,739,245		5,573,955	
Creditors: amounts falling due within one year	13	(6,455,840)		(4,140,761)	
Net current assets			1,283,405		1,433,194
Total assets less current liabilities			1,536,233		1,687,482
Creditors: amounts falling due after more than one year	14		(480,000)		(1,083,000)
Provisions for liabilities	15		(2,286)		(2,242)
Net assets			1,053,947		602,240
Capital and reserves					
Called up share capital	17		30,000		30,000
Profit and loss account	18		1,023,947		572,240
Shareholders funds			1,053,947		602,240

These financial statements were approved by the board of directors and authorised for issue on 11 December 2017, and are signed on behalf of the board by:


 Andrew Laycock
 Director

Company registration number: 08994196

The notes on pages 13 to 22 form part of these financial statements.

DISTANT JOURNEYS LTD

Statement of changes in equity Period ended 31 August 2017

	Called up share capital	Profit and loss account	Total
	£	£	£
At 1 October 2015	30,000	(479,470)	(449,470)
Profit for the period	<u> </u>	1,111,710	1,111,710
Total comprehensive income for the period	-	1,111,710	1,111,710
Dividends paid and payable	<u> </u>	(60,000)	(60,000)
Total investments by and distributions to owners	-	(60,000)	(60,000)
At 30 September 2016 and 1 October 2016	<u>30,000</u>	<u>572,240</u>	<u>602,240</u>
Profit for the period	<u> </u>	541,707	541,707
Total comprehensive income for the period	-	541,707	541,707
Dividends paid and payable	<u> </u>	(90,000)	(90,000)
Total investments by and distributions to owners	-	(90,000)	(90,000)
At 31 August 2017	<u><u>30,000</u></u>	<u><u>1,023,947</u></u>	<u><u>1,053,947</u></u>

DISTANT JOURNEYS LTD

Statement of cash flows Period ended 31 August 2017

	Note	Period ended 31/08/17 £	Period ended 30/09/16 £
Cash flows from operating activities			
Cash generated from operations	19	3,067,967	1,410,457
Interest paid		-	(15,025)
Interest received		(156,973)	231,643
Tax paid		(106,231)	-
Net cash from operating activities		<u>2,804,763</u>	<u>1,627,075</u>
Cash flows from investing activities			
Purchase of tangible assets		(5,487)	(5,362)
Net cash used in investing activities		<u>(5,487)</u>	<u>(5,362)</u>
Cash flows from financing activities			
Proceeds from borrowings		-	422,500
Repayments of borrowings		(603,000)	-
Equity dividends paid		(90,000)	(60,000)
Net cash (used in)/from financing activities		<u>(693,000)</u>	<u>362,500</u>
Net increase/(decrease) in cash and cash equivalents		2,106,276	1,984,213
Cash and cash equivalents at beginning of period		3,756,113	1,771,900
Cash and cash equivalents at end of period		<u>5,862,389</u>	<u>3,756,113</u>

DISTANT JOURNEYS LTD

Notes to the financial statements Period ended 31 August 2017

1. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

2. Accounting policies

Basis of preparation

Distant Journeys Ltd is a limited company incorporated in the United Kingdom. The address of the registered office is given in the company information page of these financial statements. The nature of the company's operations and principal activities are the provision of escorted tours to overseas destinations.

The financial statements have been prepared in accordance with the applicable accounting standards including Financial Reporting Standard 102, The Financial Reporting Standard Applicable in the UK and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention and in sterling which is the functional currency of the company.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented unless otherwise stated.

Judgements and key sources of estimation uncertainty

The following judgements (apart from those involving estimates) have been made in the process of applying accounting policies that have had the most significant on amounts recognised in the financial statements:-

Forward Exchange Contracts

Under Financial Reporting Standard 102, the company has recognised fair value on its foreign exchange contracts, this is a comparison between the contract value and what the cost would have been at the year end, the resulting loss has been taken to the profit and loss account.

The key assumptions concerning the future and other key sources of uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:-

Cancellation of tours due to conditions beyond the control of the company.

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.

Revenue from the sale of services is recognised when the significant risks and rewards of ownership have transferred to the buyer, usually on despatch of the tours; the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

DISTANT JOURNEYS LTD

Notes to the financial statements (continued) Period ended 31 August 2017

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.

Tangible assets

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in capital and reserves, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in capital and reserves in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in capital and reserves in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	- 1%
Equipment	- 33%
Fixtures and fittings	- 15%

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

DISTANT JOURNEYS LTD

Notes to the financial statements (continued) Period ended 31 August 2017

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.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

Derivatives

Derivative financial instruments are initially measured at fair value at the date on which a derivative contract is entered into and are subsequently measured at fair value through profit or loss.

The company uses derivatives to cover overseas tour costs. The fair value of which is determined by a comparison between the contract date and year end date.

3. Turnover

Turnover arises from:

	Period ended 31/08/17 £	Period ended 30/09/16 £
Rendering of services	7,943,123	8,164,968
Commissions	82,064	43,332
Rent Receivable	10,894	11,782
Other income	3,000	3,000
	<u>8,039,081</u>	<u>8,223,082</u>

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

DISTANT JOURNEYS LTD

Notes to the financial statements (continued) Period ended 31 August 2017

4. Operating profit

Operating profit is stated after charging/(crediting):

	Period ended 31/08/17 £	Period ended 30/09/16 £
Depreciation of tangible assets	6,947	7,175
Foreign exchange differences	153,136	103,175
Fees payable for the audit of the financial statements	10,000	10,000
Direct tour costs	<u>6,044,083</u>	<u>6,143,177</u>

5. Staff costs

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

	Period ended 31/08/17	Period ended 30/09/16
Distribution staff	4	4
Administrative staff	6	5
	<u>10</u>	<u>9</u>

The aggregate payroll costs incurred during the period were:

	Period ended 31/08/17 £	Period ended 30/09/16 £
Wages and salaries	188,099	207,829
Social security costs	19,137	21,238
	<u>207,236</u>	<u>229,067</u>

6. Directors remuneration

The directors aggregate remuneration in respect of qualifying services was:

	Period ended 31/08/17 £	Period ended 30/09/16 £
Remuneration	<u>66,896</u>	<u>87,000</u>

DISTANT JOURNEYS LTD

Notes to the financial statements (continued) **Period ended 31 August 2017**

7. Other interest receivable and similar income

	Period ended 31/08/17 £	Period ended 30/09/16 £
Bank deposits	25,869	28,867
Gain on financial instruments	(182,842)	202,776
	<u>(156,973)</u>	<u>231,643</u>

8. Interest payable and similar expenses

	Period ended 31/08/17 £	Period ended 30/09/16 £
Other interest payable and similar expenses	-	15,025
	<u>-</u>	<u>15,025</u>

DISTANT JOURNEYS LTD

Notes to the financial statements (continued) Period ended 31 August 2017

9. Tax on profit

Major components of tax expense

	Period ended 31/08/17 £	Period ended 30/09/16 £
Current tax:		
UK current tax expense	176,783	106,231
Deferred tax:		
Origination and reversal of timing differences	44	2,242
Tax on profit	<u>176,827</u>	<u>108,473</u>

Reconciliation of tax expense

The tax assessed on the profit for the period is higher than (2016: lower than) the standard rate of corporation tax in the UK of 19.00% (2016: 20.00%).

	Period ended 31/08/17 £	Period ended 30/09/16 £
Profit before taxation	718,534	1,220,183
Profit multiplied by rate of tax	136,521	244,037
Effect of capital allowances and depreciation	277	363
Utilisation of tax losses	-	(97,613)
Effect of derivative forward contracts	34,740	(40,556)
Tax rate adjustment	5,245	-
Deferred tax	44	2,242
Tax on profit	<u>176,827</u>	<u>108,473</u>

10. Dividends

Equity dividends

	Period ended 31/08/17 £	Period ended 30/09/16 £
Dividends paid during the period (excluding those for which a liability existed at the end of the prior year)	<u>90,000</u>	<u>60,000</u>

DISTANT JOURNEYS LTD

Notes to the financial statements (continued) Period ended 31 August 2017

11. Tangible assets

	Freehold property	Plant and machinery	Fixtures, fittings and equipment	Total
	£	£	£	£
Cost				
At 1 October 2016	247,503	10,014	9,086	266,603
Additions	-	4,959	528	5,487
Disposals	-	(2,400)	-	(2,400)
At 31 August 2017	<u>247,503</u>	<u>12,573</u>	<u>9,614</u>	<u>269,690</u>
Depreciation				
At 1 October 2016	4,428	5,981	1,906	12,315
Charge for the year	2,272	3,399	1,276	6,947
Disposals	-	(2,400)	-	(2,400)
At 31 August 2017	<u>6,700</u>	<u>6,980</u>	<u>3,182</u>	<u>16,862</u>
Carrying amount				
At 31 August 2017	<u>240,803</u>	<u>5,593</u>	<u>6,432</u>	<u>252,828</u>
At 30 September 2016	<u>243,075</u>	<u>4,033</u>	<u>7,180</u>	<u>254,288</u>

12. Debtors

	31/08/17	30/09/16
	£	£
Payments in Advance	1,700,309	1,573,823
Prepayments and accrued income	11,130	18,450
Derivative financial assets	138,410	202,776
Other debtors	27,007	22,793
	<u>1,876,856</u>	<u>1,817,842</u>

13. Creditors: amounts falling due within one year

	31/08/17	30/09/16
	£	£
Trade creditors	110,888	296,048
Accruals and deferred income	45,955	49,434
Corporation tax	176,783	106,231
Social security and other taxes	3,508	4,109
Derivative financial liability	118,476	-
Deferred income	6,000,230	3,684,939
	<u>6,455,840</u>	<u>4,140,761</u>

DISTANT JOURNEYS LTD

Notes to the financial statements (continued) Period ended 31 August 2017

14. Creditors: amounts falling due after more than one year

	31/08/17	30/09/16
	£	£
Director loan accounts	480,000	1,083,000
	<u> </u>	<u> </u>

Directors loans due after one year are subordinated to the CAA and cannot be withdrawn without the CAA's prior consent.

15. Provisions

	Deferred tax (note 16)	Total
	£	£
At 1 October 2016	2,242	2,242
Additions	44	44
At 31 August 2017	<u>2,286</u>	<u>2,286</u>

16. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	31/08/17	30/09/16
	£	£
Included in provisions (note 15)	2,286	2,242
	<u> </u>	<u> </u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	31/08/17	30/09/16
	£	£
Accelerated capital allowances	2,286	2,242
	<u> </u>	<u> </u>

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

	31/08/17		30/09/16	
	No	£	No	£
Ordinary shares of £ 1.00 each	30,000	30,000	30,000	30,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

18. Reserves

The profit and loss account represents cumulative profits and losses net of dividends and other adjustments.

DISTANT JOURNEYS LTD

Notes to the financial statements (continued) Period ended 31 August 2017

19. Cash generated from operations

	Period ended 31/08/17 £	Period ended 30/09/16 £
Cash flows from operating activities		
Profit for the financial period	541,707	1,111,710
Depreciation of tangible assets	6,947	7,175
Other interest receivable and similar income	156,973	(231,643)
Interest payable and similar expenses	-	15,025
Tax on profit	176,827	108,472
Accrued expenses/(income)	(3,479)	40,934
<i>Changes in:</i>		
Trade and other receivables	(59,014)	(313,708)
Trade and other payables	2,248,006	672,492
Cash generated from operations	<u>3,067,967</u>	<u>1,410,457</u>

20. Related party transactions

During the period the company entered into the following transactions with related parties:

	Transaction value		Balance owed by/(owed to)	
	Period ended 31/08/17 £	Period ended 30/09/16 £	Period ended 31/08/17 £	Period ended 30/09/16 £
A D Laycock	603,000	(843,000)	(240,000)	(843,000)
R J Hanson	-	(240,000)	(240,000)	(240,000)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Dividends have been paid to the directors and family members in the sum of £90,000.

21. Controlling party

No family or individual member has control of the company.

DISTANT JOURNEYS LTD

Notes to the financial statements (continued) Period ended 31 August 2017

22. Financial Instruments

The company has entered into foreign forward exchange contracts in the normal course of business amounting to £4,799,686 (£5,955,332 - 2016). The current value of the contracts are £4,753,835 (£6,158,108 - 2016), a realised loss of £45,846 has been posted to the profit and loss account.

The company has also entered into foreign forward exchange contracts in the normal course of business at fixed strike rates, the cost of these options have been posted to the profit and loss account.

The company has also entered into complex forward exchange contracts, the current net value is £65,780 which has been posted to the profit and loss account.

23. Guarantees

The ATOL bond for £345,480 is covered by Travel and General Insurance Services Limited.

24. Comparisons

The financial year end has been shortened to 11 months in order to match the main tour season. Comparatives are therefore not directly comparable in these statutory accounts.

Comparative data in the 2016 statutory accounts on Derivative financial assets/liabilities have been netted.