

Southall Travel Limited

Annual report and financial statements

Registered number 01869431

31 March 2017

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Company Information

DIRECTORS:	D Bahia K S Bahia
SECRETARY:	D Bahia
REGISTERED OFFICE:	Palmoak House 19 South Road Southall Middlesex UB1 1SU
REGISTERED NUMBER:	01869431 (England and Wales)
AUDITOR:	KPMG LLP 15 Canada Square London E14 5GL
BANKER:	Barclays Bank Plc 1 Churchill Place London E14 5HP

Strategic Report

The directors present their annual report for Southall Travel Limited (“the Company”) for the year ended 31 March 2017.

Corporate structure

The Company’s immediate parent undertaking is Onkar International Limited incorporated in England & Wales. The principal activity of the parent company is that of an investment company, a property developer and a travel agent. The ultimate parent company is ST Holdings Limited incorporated in Guernsey.

Performance of the business during the year

The results for the year and the financial position of the Company are shown in financial statements on pages 10 to 22. Despite competitive trading environment experienced throughout the year, management is pleased to report the robust performance of the Company. The turnover and earnings are significantly ahead compared to the previous year.

By continuing to invest heavily in technology, marketing and branding the Company has achieved desirable growth in difficult trading conditions. We continue to grow and the current turnover of £563 million represents 19% growth on the previous year.

The Company is one of the leading travel agents selling flights to Middle East, Indian subcontinent and Far East. Our focus is and will remain to ensure that our cost base continues to be aligned with the revenue capability of all the divisions of the business. We continue developing sales of new and emerging holiday destinations. We have maintained steady growth in sales of core holiday destinations to Middle East, Far East, Indian Ocean, Africa, Australia and USA.

The management anticipates growth in the ensuing year as the Company strengthens its position and increases its market share.

Key performance indicators

The Company continues monitoring a number of KPIs in respect of sales, gross profit, return on capital employed and cash performance of all the divisions of the Company.

Travel regulatory bodies

The Company holds an IATA & ATOL licence, which ensures protection to its customers and regulators.

Principal risks and uncertainties

Current UK economic condition may provide hope for improvement in growth. However, the UK travel industry remains extremely competitive and the Company expects that competitive pressure to continue this year.

Despite prevailing present market conditions, management is confident that the actions taken by the Company to reinforce the UK travel business, together with continued progress on its strategic initiatives, means it is well positioned to make progress in current year.

On 23 June 2016, the UK electorate voted to discontinue its membership of the EU. The UK Government further triggered Article 50 on 29 March 2017 to start the formal process of leaving the EU.

While there will be commercial, operational and legal impacts from the UK’s eventual exit from the EU, with the UK Government setting out its intention to leave the Single Market, uncertainties remain and make it difficult to forecast future years. Until further clarity is available with regards to the terms of the UK exit, it is too early for the directors to conclude their assessment of the impact on the Company’s trade and customers, regulatory requirements and legal consequences of such event.

Financial instruments

The Company has a normal level of exposure to currency fluctuations.

Future prospects

The Company expects to grow organically throughout 2017/18 and expects to grow further through acquisition and consolidation in the travel and leisure industry.

Strategic Report (*continued*)

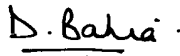
Employees

The Company's employment policy is to provide equal opportunities to all current and prospective employees without any discrimination. We provide a work environment in which all individuals are treated with respect and dignity.

Social, environmental and ethical matters

The Company believes that by operating in an ethical and socially aware manner it will help to preserve the environment. It is an integral part of efficient and profitable business management, and management recognises that success in these areas depends on the involvement & commitment of everyone in the organisation.

By order of the board



D Bahia

Director

19 July 2017

Palmoak House
19 South Road
Southall
Middlesex
UB1 1SU

Directors' report

The directors present their Annual report and the audited financial statements of the Company for the year ended 31 March 2017. The directors have prepared the financial statements on a going concern basis, as the Company is in a strong net asset position. The Company has been profitable in the past and it will remain so for the foreseeable future, and as such will be able to meet its liabilities as they fall due.

Principal activity

The principal activity of the Company in the year under review was that of a travel agent and a tour operator.

Dividends

Dividends paid for the year ended 31 March 2017 were £12,400,000 (2016: £27,000,000).

Directors

The directors who held office during the year were as follows:

D Bahia
K S Bahia

Political and charitable contributions

The Company made no political donations or incurred any political expenditure during the year (2016: £nil). During the year under review the Company made charitable donations of £123,065 (2016: £52,650).

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.


Other information

An indication of likely future developments in the business since the end of the financial year have been included in the Strategic Report on page 4.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



D Bahia
Director
19 July 2017

Palmoak House
19 South Road
Southall
Middlesex
UB1 1SU

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTHALL TRAVEL LIMITED

We have audited the financial statements of Southall Travel Limited for the year ended 31 March 2017 set out on pages 10 to 22. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTHALL TRAVEL LIMITED
(continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

Michael Harper

Michael Harper (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

19 July 2017

Profit and Loss Account
for the year ended 31 March 2017

	<i>Note</i>	2017 £	2016 £
Turnover		563,432,960	471,990,969
Cost of sales		(521,481,192)	(435,621,086)
Gross profit		41,951,768	36,369,883
Administrative expenses	2	(30,574,392)	(24,566,530)
Other operating income		10,387,962	8,766,137
Operating profit		21,765,338	20,569,490
Other interest receivable and similar income	5	651,459	612,944
		22,416,797	21,182,434
Interest payable and similar expenses	6	(15,268)	-
Profit on ordinary activities before taxation		22,401,529	21,182,434
Tax on profit on ordinary activities	7	(4,572,018)	(4,271,100)
Profit for the financial year		17,829,511	16,911,334
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		17,829,511	16,911,334

All results derive from continuing operations in the United Kingdom.

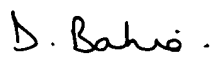
The Company had no recognised gains and losses other than the results for the year as set out above.

The notes on pages 14 to 22 form part of the financial statements.

Balance Sheet
at 31 March 2017

	Note	£	2017 £	£	2016 £
Fixed assets					
Tangible assets	8		1,363,053		1,279,835
			<u>1,363,053</u>		<u>1,279,835</u>
Current assets					
Debtors	9	22,084,773		20,834,718	
Cash at bank and in hand		72,484,643		63,968,459	
		<u>94,569,416</u>		<u>84,803,177</u>	
Creditors: amounts falling due within one year	10	<u>(65,499,406)</u>		<u>(61,074,751)</u>	
Net current assets			<u>29,070,010</u>		<u>23,728,426</u>
Total assets less current liabilities			<u>30,433,063</u>		<u>25,008,261</u>
Provisions for liabilities					
Deferred tax	11	<u>(17,293)</u>		<u>(22,002)</u>	
			<u>(17,293)</u>		<u>(22,002)</u>
Net assets			<u>30,415,770</u>		<u>24,986,259</u>
Capital and reserves					
Called up share capital	12		100,000		100,000
Share premium account			15,000		15,000
Profit and loss account			<u>30,300,770</u>		<u>24,871,259</u>
Shareholders' funds			<u>30,415,770</u>		<u>24,986,259</u>

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



D Bahia
Director

Company registered number: 01869431

The notes on page 14 to 22 form part of the financial statements.

Statement of Changes in Equity

	Called Up Share Capital	Share Premium account	Profit and loss account	Total Equity
	£	£	£	£
Balance as at 1 April 2015	100,000	15,000	34,959,925	35,074,925
Total Comprehensive income for the period				
Profit for the period	-	-	16,911,334	16,911,334
Transactions with owners, recorded directly in equity				
Dividends	-	-	(27,000,000)	(27,000,000)
Balance as at 31 March 2016	100,000	15,000	24,871,259	24,986,259
Balance as at 1 April 2016	100,000	15,000	24,871,259	24,986,259
Total Comprehensive income for the period				
Profit for the period	-	-	17,829,511	17,829,511
Transactions with owners, recorded directly in equity				
Dividends	-	-	(12,400,000)	(12,400,000)
Balance as at 31 March 2017	100,000	15,000	30,300,770	30,415,770

The notes on pages 14 to 22 form an integral part of the financial statements.

Cash Flow Statement
for year ended 31 March 2017

	<i>Notes</i>	2017 £	2016 £
Cash flows from operating activities			
Profit for the year		17,829,511	16,911,334
<i>Adjustments for:</i>			
Depreciation, amortisation and impairment	8	111,526	80,608
Interest payable and similar charges	6	15,268	
Interest receivable and similar income	5	(651,459)	(612,944)
Taxation charge	7	4,572,018	4,271,100
		21,876,864	20,650,098
 (Increase)/decrease in trade and other debtors	9	(1,250,056)	(3,209,948)
Increase/(decrease) in trade and other creditors	10	4,163,511	11,148,099
		24,790,319	28,588,249
 Tax paid		(4,315,584)	(3,885,784)
Net cash from operating activities		20,474,735	24,702,465
 Cash flows from investing activities			
Interest received	5	651,459	612,944
Acquisition of tangible fixed assets	8	(194,742)	(87,740)
Net cash from investing activities		456,717	525,204
 Cash flows from financing activities			
Dividends		(12,400,000)	(27,000,000)
Interest paid	6	(15,268)	-
Net cash from financing activities		(12,415,268)	(27,000,000)
 Net increase/(decrease) in cash and cash equivalents		8,516,184	(1,772,331)
Cash and cash equivalents at 1 April		63,968,459	65,740,789
Cash and cash equivalents at 31 March		72,484,643	63,968,459

The notes on pages 14 to 22 form an integral part of the financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Southall Travel Limited (the “Company”) is a company limited by shares and incorporated and domiciled in the UK. These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (“FRS 102”) as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling.

The Company’s parent undertaking, Onkar International Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Onkar International Limited are prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (“FRS 102”) and are available to the public and may be obtained from 19 South Road, Southall, Middlesex UB1 1SU. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Key Management Personnel compensation.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

At the balance sheet date the company had net current assets of £29 million, and was holding cash of £72.5 million. The Company continues to have strong visibility of its revenue streams for the financial year 2017/18.

In consideration of the above, and having made appropriate enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the accounts.

1.3 Foreign currency

Transactions in foreign currencies are translated to the Company’s functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the profit and loss account.

Notes (continued)

1 Accounting policies (continued)

1.4 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

1.5 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. The Company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value over its useful economic life. The depreciation policies are as follows:

- Freehold property 2% on cost
- Improvements to property 2% on cost
- Fixtures and fittings 20% reducing balance
- Computer equipment 25% reducing balance

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

1.6 Turnover

Turnover represents sales of airline tickets and package tours, net of value added tax.

Turnover in respect of tours and packages is recognised on the departure date of travel. Revenue relating to flight only sales is recognised at the point of booking.

1.7 Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease.

Interest receivable

Other interest receivable and similar income include interest receivable on funds invested. Interest income is recognised in profit or loss as they accrue, using the effective interest method.

Interest payable

Interest payable and similar expenses include interest payable and finance expenses on liabilities. Interest income is recognised in profit or loss as they accrue, using the effective interest method.

Notes *(continued)*

1 **Accounting policies** *(continued)*

1.8 **Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes (continued)

2 Expenses and auditor's remuneration

Included in profit/loss are the following:

	2017 £	2016 £
(Gain) on foreign currency exchange	480,541	(1,844)
Operating lease rentals:		
Land and buildings (note 13)	104,080	142,574
Depreciation of tangible fixed assets (note 8)	111,526	80,608
	<u> </u>	<u> </u>

Auditor's remuneration:

	2017 £	2016 £
Audit of these financial statements	39,500	39,500
<i>Disclosures below based on amounts receivable in respect of other services to the Company</i>		
Amounts receivable by the Company's auditor and its associates in respect of:		
Audit-related assurance services	2,500	2,500
FRS Transition	-	6,500
Taxation compliance services	8,750	8,750
	<u> </u>	<u> </u>

3 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2017	2016
Administrative	11	11
Business development	26	26
	<u> </u>	<u> </u>
	37	37
	<u> </u>	<u> </u>

The aggregate payroll costs of these persons were as follows:

	2017 £	2016 £
Wages and salaries	1,942,768	1,794,211
Social security costs	224,544	195,364
	<u> </u>	<u> </u>
	2,167,312	1,989,575
	<u> </u>	<u> </u>

Notes (continued)**4 Directors' remuneration**

	2017	2016
	£	£
Directors' remuneration	<u>600,000</u>	<u>600,000</u>

The aggregate of remuneration of the highest paid director was £ 600,000 (2016: £600,000).

5 Other interest receivable and similar income

	2017	2016
	£	£
Bank interest	<u>651,459</u>	<u>612,944</u>
Total interest receivable and similar income	<u>651,459</u>	<u>612,944</u>

6 Interest payable and similar expenses

	2017	2016
	£	£
Bank interest	<u>15,268</u>	<u>-</u>
Total interest payable and similar expenses	<u>15,268</u>	<u>-</u>

Notes (continued)

7 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2017		2016
	£	£	£
<i>Current tax</i>			
Current tax on income for the period		4,541,113	4,240,431
Adjustments in respect of prior periods		35,614	8,667
		<hr/>	<hr/>
Total current tax		4,576,727	4,249,098
<i>Deferred tax (see note 11)</i>			
Origination and reversal of timing differences	(4,709)		22,002
	<hr/>		<hr/>
		(4,709)	22,002
		<hr/>	<hr/>
Total tax		4,572,018	4,271,100
		<hr/>	<hr/>

Reconciliation of effective tax rate

	2017	2016
	£	£
Profit for the year	17,829,511	16,911,334
Total tax expense	4,572,018	4,271,100
	<hr/>	<hr/>
Profit excluding taxation	22,401,529	21,182,434
Tax using the UK corporation tax rate of 20% (2016: 20%)	4,480,306	4,236,487
Depreciation in excess of capital allowances	4,640	4,593
Non-deductible expenses	47,892	32,334
(Under) provided in prior years	35,614	8,667
Adjustment to tax charge in respect of previous periods – deferred tax	3,756	192
Adjust closing deferred tax to average rate of 20.00%	(3,052)	(2,445)
Adjust opening deferred tax to average rate of 20.00%	2,862	
Other adjusting differences		(30,730)
Deferred tax	-	22,002
	<hr/>	<hr/>
Total tax expense included in profit or loss	4,572,018	4,271,100
	<hr/>	<hr/>

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2016. The deferred tax liability at 31 March 2017 has been calculated based on these rates.

An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016. This will reduce the Company's future current tax charge accordingly. The deferred tax asset and liability at the balance sheet date has been calculated based on these rates.

Notes (continued)

8 Tangible fixed assets

	Freehold property £	Improvements on property £	Fixtures & fittings £	Computer equipment £	Total £
Cost					
Balance at 1 April 2016	1,158,042	115,552	565,091	199,523	2,038,208
Additions	-	-	108,962	85,780	194,742
	<u>1,158,042</u>	<u>115,552</u>	<u>674,053</u>	<u>285,303</u>	<u>2,232,950</u>
Balance at 31 March 2017	1,158,042	115,552	674,053	285,303	2,232,950
Depreciation					
Balance at 1 April 2016	186,678	17,143	416,559	137,992	758,372
Depreciation charge for the year	20,888	2,311	51,498	36,828	111,526
	<u>207,566</u>	<u>19,454</u>	<u>468,057</u>	<u>174,820</u>	<u>869,897</u>
Balance at 31 March 2017	207,566	19,454	468,057	174,820	869,897
Net book value					
At 1 April 2016	971,364	98,409	148,532	61,531	1,279,836
	<u>971,364</u>	<u>98,409</u>	<u>148,532</u>	<u>61,531</u>	<u>1,279,836</u>
At 31 March 2017	950,476	96,098	205,996	110,483	1,363,053
	<u>950,476</u>	<u>96,098</u>	<u>205,996</u>	<u>110,483</u>	<u>1,363,053</u>

9 Trade and other receivables

	2017 £	2016 £
Trade debtors	14,175,416	14,138,095
Other debtors	-	5,652
Prepayments and accrued income	7,909,357	6,690,971
	<u>22,084,773</u>	<u>20,834,718</u>
Due within one year	22,084,773	20,834,718
	<u>22,084,773</u>	<u>20,834,718</u>

Notes (continued)

10 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	45,902,514	44,190,014
Taxation and social security	2,673,714	2,412,571
Social security and other taxes	241,043	206,465
Other creditors	30,638	33,897
Accruals and deferred income	16,651,497	14,231,804
	<u>65,499,406</u>	<u>61,074,751</u>

11 Deferred tax liabilities

Deferred tax liabilities are attributable to the following:

	Assets 2017 £	2016 £	Liabilities 2017 £	2016 £	Net 2017 £	2016 £
Other	-	-	(17,293)	(22,002)	(17,293)	(22,002)
Tax liabilities	-	-	(17,293)	(22,002)	(17,293)	(22,002)
Net of tax liabilities	-	-	-	-	-	-
Net tax liabilities	-	-	(17,293)	(22,002)	(17,293)	(22,002)

In addition to the deferred tax asset above, the Company has additional unrecognised gross tax losses of £Nil (2016: £Nil).

12 Called up share capital

Share capital

	2017 £	2016 £
<i>Allotted, called up and fully paid</i>		
100,000 ordinary shares of £1 each	100,000	100,000
	<u>100,000</u>	<u>100,000</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Notes (continued)

13 Reserves

	Retained earnings £
At 1st April 2016	24,871,259
Profit for the year	17,829,511
Dividends	(12,400,000)
At 31st March 2017	<u>30,300,770</u>

14 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2017 £	2016 £
Less than one year	51,986	75,000
Between two and five years	-	51,986
	<u>51,986</u>	<u>126,986</u>

During the year £104,080 was recognised as an expense in the profit and loss account in respect of operating leases (2016: £142,574).

15 Related parties

As Southall Travel Limited is a wholly owned subsidiary of Onkar International Limited, it has taken advantage of the exemption contained in FRS 102 Section 33.1.A, and has therefore not disclosed transactions or balances with entities which form part of the group.

16 Ultimate parent company and ultimate controlling party

The Company's immediate parent undertaking is Onkar International Limited incorporated in England & Wales. The ultimate parent company is a private company ST Holdings Limited incorporated in Guernsey. The ultimate controlling party is K S Bahia.

17 Subsequent Events

The Company had contracted before the balance sheet date to dispose of the freehold property and it was sold subsequent to the balance sheet date.