Zoho Books for Travel Agencies and Tour Operators in Dubai

Supplier costs, margins and multi-currency, explained for UAE travel businesses

A 3-page guide by Perfonec, Zoho Partner, Dubai

Quick answer. A travel business earns a small margin on a large booking value. The customer pays one amount, while hotels, airlines, transfers and tour suppliers bill you in different currencies on different dates. Zoho Books can hold the customer and vendor sides, foreign-currency contacts and exchange rates. The margin only becomes visible if every supplier cost is tied to its booking, so the habit matters more than the software.

Why travel accounting is different

A shop buys a product and sells the same product. A travel agency sells a package made of several supplier services. The sale may be in AED, the hotel bill in euros and the tour operator in dollars. Costs arrive before or after the customer pays. Refunds and cancellations then change both sides. Without a clear booking reference on every entry, the books show cash moving but not profit per booking.

A made-up example: one package, two currencies

Item	Amount (AED)	Note
Package sold to customer	4,500.00	Sales invoice in AED
Hotel bill, EUR 800 at 4.30 (made-up rate)	3,440.00	Vendor bill in EUR, rate on bill date
Airport transfers	300.00	Local supplier, AED
Tour and guide	250.00	Local supplier, AED
Margin on the booking	510.00	About 11.3% of the sale
Hotel paid later at 4.35 (made-up rate)	3,480.00	Exchange loss of AED 40
Margin after exchange difference	470.00	About 10.4% of the sale

Illustration only. All rates and amounts are invented to show how a small exchange movement reduces a thin margin.

What Zoho Books offers for foreign currency

Topic	What Zoho documents	What to check
Currencies	Base currency comes from the business location set at setup. You can add other currencies and assign one to a customer or vendor, and their transactions are then created in it.	Confirm your plan allows invoicing in multiple currencies, as Zoho says this depends on the plan.
Exchange rates	Rate feeds are on by default and update through Open Exchange Rates. You can switch them off and enter dated manual rates.	Decide your rate policy. Past transactions keep the rate used when they were created.
Gain or loss	Zoho has base currency adjustment and currency reports.	Ask your Zoho partner how gains and losses appear on payment in your edition.

Eight places travel agencies lose margin

Problem	Why it hurts	What to do in your books
1. Supplier bills not linked to a booking	You see total costs, not profit per booking.	Put the booking or file number on every invoice and bill. Use one naming rule.
2. Foreign bills recorded at the wrong rate	Cost looks higher or lower than it was.	Set a rate policy. Use the vendor currency and keep rate feeds or manual rates consistent.
3. Exchange difference ignored	A 1% move on a thin margin is visible.	Review exchange gain and loss monthly, not yearly.
4. Deposits and advance receipts mixed with income	Income looks bigger than it is.	Record advances against the booking and apply them to the final invoice.
5. Cancellations and refunds	Customer refunds and supplier refunds rarely match.	Use credit notes and vendor credits against the same booking reference.
6. Gross and net sales confused	Some bookings are sold as principal, others as agent.	Decide each product type with your tax adviser and record it the same way every time.
7. Card and gateway fees missed	Fees reduce the margin after the sale.	Reconcile the payment gateway payout, with fees as a separate expense.
8. Supplier statements not reconciled	Duplicate or missing bills build up.	Compare each major supplier statement to your payables every month.

What Zoho Books does not replace

Zoho Books is an accounting product. It is not a booking engine, a flight reservation system or a package-pricing tool. Itineraries, supplier rate lists, ticket issuing and airline settlement reports usually need other software, and the accounting entries then flow into Zoho Books. Ask how that link will work before you choose, and check which Zoho plan and edition include the features you need.

What to keep in every booking file

Document	Why it matters
Customer quotation and signed booking	Shows what was sold and at what price.
Supplier confirmations and invoices	Support every cost with the booking reference.
Payment receipts and bank or gateway proof	Shows when and how the customer and suppliers paid.
Cancellation and refund papers	Explain every credit note and vendor credit.
Notes on how the sale was treated for VAT	Keeps treatment consistent and helps in an audit.

Reports worth running every month

Report or view	What to look for
Sales and purchases by booking reference	Bookings with costs but no sale, or sales with no costs yet.
Payables ageing by supplier	Suppliers waiting for payment, and duplicate bills.
Receivables ageing	Customers with unpaid balances before travel dates.
Currency and exchange reports	Gain or loss by currency, and large rate movements.
VAT return preview	Lines that look unusual for the product types you sell.

Five questions to ask your tax adviser

1) Which of my products are sold as principal and which as agent? 2) Which supplies involve international transport, and what evidence do I need? 3) How do I show commissions and service fees on invoices? 4) How is VAT treated on supplier costs I cannot recover? 5) How should refunds and cancellations be shown in my return?

VAT: points to settle with your tax adviser

Be careful here. VAT on travel depends on whether you act as an agent or as a principal, where the services are supplied, and whether international transport is involved. Some international transport is zero-rated under UAE VAT, but the conditions matter, and tour packages can be complex. Zoho Books offers a Profit Margin Scheme, but its own help page describes it for second-hand goods and does not mention travel services, so do not assume it applies to your bookings. Confirm each product type with the Federal Tax Authority or a qualified tax adviser before you set up tax codes.

Set-up checklist

Before you start	Every month
• **Agree the booking reference format.** • **Set up vendors in their own currencies.** • **Choose automatic or manual exchange rates.** • **Create customers with the right currency.** • **Decide the VAT treatment for each product type with your adviser.**	• Check every supplier bill carries a booking reference. • Review exchange gain and loss. • Reconcile gateway payouts and fees. • Match supplier statements to payables. • Review open deposits, refunds and credit notes.

Disclosure. Perfonec is an official Zoho partner and also sells and supports QuickBooks, TallyPrime, Odoo and Sage 50. This guide is general information based on Zoho help pages at the time of writing, not tax advice. Need help setting up Zoho Books for a travel business? Call +971 4 386 6199, WhatsApp +971 56 408 5594 or write to sales@perfonec.com.