

KENNEDY TRAVEL (YORKSHIRE) LIMITED

ABBREVIATED FINANCIAL STATEMENTS

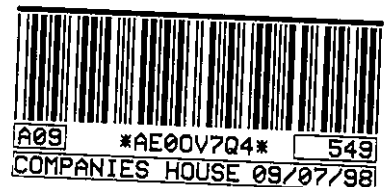
31st DECEMBER 1997

Registered number: 1325708

HARRIS & CO

CHARTERED ACCOUNTANTS

Barnsley



KENNEDY TRAVEL (YORKSHIRE) LIMITED
ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31st December 1997

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KENNEDY TRAVEL (YORKSHIRE) LIMITED**COMPANY INFORMATION****31st December 1997**

NUMBER	1325708
DIRECTORS	E Button C Button (resigned 1/10/97) R M Briggs S P Roberts
SECRETARY	S P Roberts
REGISTERED OFFICE	7 Butts Court Leeds
AUDITORS	Harris & Co Chartered Accountants Marland House Huddersfield Road Barnsley South Yorkshire

KENNEDY TRAVEL (YORKSHIRE) LIMITED

DIRECTORS' REPORT

31st December 1997

The directors present their report and the abbreviated financial statements for the year ended 31st December 1997.

Principal activity

The principal activity of the company is that of tour operators and travel agents.

Business review

The company's balance sheet as detailed on page 6 shows a satisfactory position, shareholders' funds amounting to £949,446.

Results and dividends

The results for the year are shown in the profit and loss account on page 5. The directors do not propose payment of an ordinary dividend.

Fixed assets

In the opinion of the directors there is no significant difference between the present market value of the company's properties and the amounts at which they are stated in the accounts. Details are set out in note 6.

Directors

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows

	31st December 1997	1st January 1997
	Ordinary shares	Ordinary shares
E Button	52,500	52,500
C Button (resigned 1/10/97)	7,500	7,500
R M Briggs	7,500	7,500
S P Roberts	-	-

In accordance with the Articles of Association, E Button retires by rotation and offers himself for re-election.

continued

KENNEDY TRAVEL (YORKSHIRE) LIMITED

DIRECTORS' REPORT
(continued)

31st December 1997

Auditors

Harris & Co have agreed to offer themselves for re-appointment as auditors of the company.

On behalf of the board

S P Roberts
Secretary

7 Butts Court
Leeds

18th June 1998

KENNEDY TRAVEL (YORKSHIRE) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

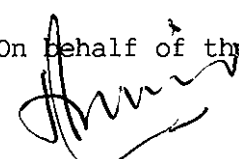
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements the directors are required to

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

18th June 1998

On behalf of the board



E Button
Director

KENNEDY TRAVEL (YORKSHIRE) LIMITED**Auditors' report to
Kennedy Travel (Yorkshire) Limited
under section 247B to the Companies Act 1985**

We have examined the abbreviated financial statements set out on pages 5 to 8, together with the financial statements of the company for the year ended 31st December 1997 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with section 246A(3) of the Act to the registrar of companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated financial statements on pages 5 to 8 are properly prepared in accordance with those provisions.

Barnsley
18th June 1998



Harris & Co
Registered Auditors
Chartered Accountants

KENNEDY TRAVEL (YORKSHIRE) LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT

for the year ended 31st December 1997

	Note	1997 £	1996 £
Gross profit		2,460,636	2,168,114
Net operating expenses			
Distribution costs		(442,589)	(450,071)
Administrative expenses		(1,867,028)	(1,550,117)
Other operating income		149,746	117,172
Profit on ordinary activities before taxation		300,765	285,098
Taxation	4	(77,056)	(78,007)
Profit on ordinary activities after taxation		223,709	207,091
Dividends	5	-	(72,000)
Retained profit for the year	14	223,709	135,091

Movements in reserves are shown in note 14.

None of the company's activities were acquired or discontinued during the above two financial years.

There are no recognised gains and losses in 1997 or 1996 other than the profit for the year.

KENNEDY TRAVEL (YORKSHIRE) LIMITED

ABBREVIATED BALANCE SHEET

at 31st December 1997

	Note	1997 £	1996 £
Fixed assets			
Tangible assets	6	631,801	685,981
Current assets			
Debtors	8	550,879	415,680
Cash at bank and in hand		<u>1,549,651</u>	<u>1,131,468</u>
		2,100,530	1,547,148
Creditors: amounts falling due within one year	9	<u>(1,621,141)</u>	<u>(1,400,208)</u>
Net current assets		<u>479,389</u>	<u>146,940</u>
Total assets less current liabilities		<u>1,111,190</u>	<u>832,921</u>
Creditors: amounts falling due after more than one year	10	<u>(161,744)</u>	<u>(107,184)</u>
		<u>949,446</u>	<u>725,737</u>
Capital and reserves			
Called up share capital	13	75,000	75,000
Profit and loss account	14	<u>874,446</u>	<u>650,737</u>
Total shareholders' funds	12	<u>949,446</u>	<u>725,737</u>

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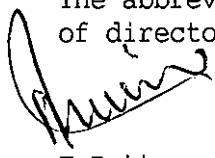
KENNEDY TRAVEL (YORKSHIRE) LIMITED

ABBREVIATED BALANCE SHEET
(continued)

at 31st December 1997

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The abbreviated financial statements on pages 5 to 8 were approved by the board of directors on 18th June 1998 and signed on its behalf by:


E Button
Director

KENNEDY TRAVEL (YORKSHIRE) LIMITED

CASH FLOW STATEMENT

for the year ended 31st December 1997

	Note	1997		1996	
		£	£	£	£
Net cash inflow from operating activities	17		457,087		179,305
Taxation					
Corporation tax paid			(59,974)		(62,365)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(36,790)		(302,202)	
Sale of tangible fixed assets		3,300		14,750	
			(33,490)		(287,452)
			363,623		(170,512)
Equity dividends paid			—		(72,000)
			363,623		(242,512)
Financing					
Debt due beyond a year:					
Other loan advances/(repayments)		54,560		(3,326)	
			54,560		(3,326)
Increase/(decrease) in cash			418,183		(245,838)

KENNEDY TRAVEL (YORKSHIRE) LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31st December 1997

1 Accounting policies**Basis of accounting**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Freehold land and buildings	straight line basis not exceeding 50 years
Leasehold land and buildings and buildings	straight line over remaining term of leases
Motor vehicles	25% per annum on reducing balance
Fixtures and fittings	15% per annum on reducing balance

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Pensions**Defined contribution scheme**

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Foreign Currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange rate differences are taken into account in arriving at the operating profit.

KENNEDY TRAVEL (YORKSHIRE) LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31st December 1997

2 Operating profit

	1997 £	1996 £
Operating profit is stated after crediting		
Interest receivable	149,746	117,172
and after charging		
Staff costs (note 3)	1,387,838	1,067,579
Auditors' remuneration	12,000	11,000
Loss on sale of assets	550	2,369
Depreciation of tangible fixed assets (note 6)		
owned assets	87,120	95,536

3 Directors and employees

	1997 £	1996 £
Staff costs including directors' emoluments		
Wages and salaries	1,222,238	990,479
Pension costs	165,600	77,100
	1,387,838	1,067,579
Average monthly number employed including executive directors:	Number	Number
Administration staff	60	58
Directors	£	£
Emoluments	315,666	172,834
Company contributions to money purchase pension schemes	165,600	77,100
	481,266	249,934
Highest paid director	£	£
Emoluments and amounts receivable under long term incentive schemes	144,333	148,167
Company contributions to a money purchase pension scheme	88,375	54,000

Defined contribution pension scheme

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £165,600 (1996 £77,100).

KENNEDY TRAVEL (YORKSHIRE) LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31st December 1997

4 Taxation

	1997 £	1996 £
Corporation tax on profit on ordinary activities at 23.02% (1996 24.75%)	77,090	71,340
(Over)/under provision in earlier years	(34)	6,667
	<u>77,056</u>	<u>78,007</u>

5 Dividends

	1997 £	1996 £
Equity - ordinary/final	<u>-</u>	<u>72,000</u>

6 Tangible fixed assets

Cost	Motor Vehicles £	Fixtures and Fittings £	Land and Buildings £	Total £
1st January 1997	113,752	566,805	345,252	1,025,809
Additions	19,750	17,040	-	36,790
Disposals	(8,625)	-	-	(8,625)
31st December 1997	<u>124,877</u>	<u>583,845</u>	<u>345,252</u>	<u>1,053,974</u>
Depreciation				
1st January 1997	46,455	240,331	53,042	339,828
Charge for year	17,094	51,528	18,498	87,120
Disposals	(4,775)	-	-	(4,775)
31st December 1997	<u>58,774</u>	<u>291,859</u>	<u>71,540</u>	<u>422,173</u>
Net book amount				
31st December 1997	<u>66,103</u>	<u>291,986</u>	<u>273,712</u>	<u>631,801</u>
1st January 1997	<u>67,297</u>	<u>326,474</u>	<u>292,210</u>	<u>685,981</u>

KENNEDY TRAVEL (YORKSHIRE) LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31st December 1997

7 Land and buildings

	1997 £	1996 £
Freehold	147,537	150,579
Short leasehold	126,175	141,631
	<u>273,712</u>	<u>292,210</u>

8 Debtors

	1997 £	1996 £
Amounts falling due within one year		
Trade debtors	388,542	289,424
Other debtors	55,644	30,263
Prepayments and accrued income	106,693	95,993
	<u>550,879</u>	<u>415,680</u>

9 Creditors: amounts falling due within one year

	1997 £	1996 £
Trade creditors	1,294,378	1,168,513
Corporation tax	77,090	60,008
Other taxation and social security	106,267	42,291
Other creditors	29,919	54,561
Accruals and deferred income	113,487	74,835
	<u>1,621,141</u>	<u>1,400,208</u>

10 Creditors: amounts falling due after more than one year

	1997 £	1996 £
Other loans	161,744	107,184
	<u>161,744</u>	<u>107,184</u>

KENNEDY TRAVEL (YORKSHIRE) LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31st December 1997

11 Deferred taxation

	1997		1996	
	Potential liability £	Provision made £	Potential liability £	Provision made £
Corporation tax deferred by Capital allowances in excess of depreciation	36,698	-	40,868	-
	<u>36,698</u>	<u>-</u>	<u>40,868</u>	<u>-</u>

The potential liability and provision are based on a corporation tax rate of 23.02% (1996 24.75%).

12 Reconciliation of movements in shareholders' funds

	1997 £	1996 £
Profit for the financial year	223,709	207,091
Dividends	<u>-</u>	<u>(72,000)</u>
Net addition to shareholders' funds	223,709	135,091
Opening shareholders' funds	<u>725,737</u>	<u>590,646</u>
Closing shareholders' funds	<u>949,446</u>	<u>725,737</u>

13 Called up share capital

	1997		1996	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Allotted called up and fully paid				
Ordinary shares of £1 each	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>

KENNEDY TRAVEL (YORKSHIRE) LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31st December 1997

14 Profit and loss account

	1997 £
1st January 1997	650,737
Retained profit for the year	223,709
31st December 1997	<u>874,446</u>

15 Guarantees and other financial commitments

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the year to 31st December 1998

	1997 Land and Buildings £	1996 Land and Buildings £
Expiring		
After five years	213,129	201,150
	<u>213,129</u>	<u>201,150</u>

Yorkshire Bank plc has given the following guarantees on the company's behalf:-

\$10,000 guarantee to Alamo Rent A Car

The bank has recourse for the above.

16 Directors' interests and loans

The company leases on a commercial basis a property which is owned personally by the directors of the company.

17 Notes to the cash flow statement

Reconciliation of operating profit to operating cash flows

	1997 £	1996 £
Operating profit	300,765	285,098
Depreciation charges	87,120	95,536
Loss on sale of fixed assets	550	2,369
(Increase)/decrease in debtors	(135,199)	62,096
Increase/(decrease) in creditors	203,851	(265,794)
Net cash inflow		
from operating activities	<u>457,087</u>	<u>179,305</u>

KENNEDY TRAVEL (YORKSHIRE) LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31st December 1997

18 Notes to the cash flow statement (continued)

Analysis of changes in net debt

	At start of year £	Cash flows £	At end of year £
Cash in hand, at bank	1,131,468	418,183	1,549,651
		<u>418,183</u>	
Debt due after 1 year	(107,184)	(54,560)	(161,744)
		<u>(54,560)</u>	
Total	<u>1,024,284</u>	<u>363,623</u>	<u>1,387,907</u>

Reconciliation of net cash flow to movement in net debt

	1997 £	1996 £
Increase/(decrease) in cash in the year	418,183	(245,838)
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	(54,560)	3,326
Change in net debt resulting from cash flows	<u>363,623</u>	<u>(242,512)</u>
Net debt at 1st January 1997	<u>1,024,284</u>	<u>1,266,796</u>
Net debt at 31st December 1997	<u>1,387,907</u>	<u>1,024,284</u>