

KENNEDY TRAVEL (YORKSHIRE) LIMITED

ABBREVIATED FINANCIAL STATEMENTS

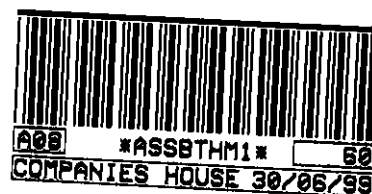
31st DECEMBER 1998

Registered number: 1325708

HARRIS & Co

CHARTERED ACCOUNTANTS

Barnsley



KENNEDY TRAVEL (YORKSHIRE) LIMITED

ABBREVIATED FINANCIAL STATEMENTS

for the year ended 31st December 1998

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KENNEDY TRAVEL (YORKSHIRE) LIMITED

COMPANY INFORMATION

31st December 1998

NUMBER	1325708
DIRECTORS	E Button R M Briggs S P Roberts
SECRETARY	S P Roberts
REGISTERED OFFICE	The Kennedy Building Victoria Road Leeds
AUDITORS	Harris & Co. Chartered Accountants Marland House 13 Huddersfield Road Barnsley South Yorkshire

KENNEDY TRAVEL (YORKSHIRE) LIMITED

DIRECTORS' REPORT

31st December 1998

The directors present their report and the abbreviated financial statements for the year ended 31st December 1998.

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 £1,247,451.

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 5.

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 1998	1st January 1998
	Ordinary shares	Ordinary shares
E Button	52,500	52,500
R M Briggs	7,500	7,500
S P Roberts	-	-

In accordance with the Articles of Association, R M Briggs retires by rotation and offers himself for re-election.

continued

KENNEDY TRAVEL (YORKSHIRE) LIMITED

DIRECTORS' REPORT
(continued)

31st December 1998

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

The Kennedy Building
Victoria Road
Leeds

21st June 1999

KENNEDY TRAVEL (YORKSHIRE) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

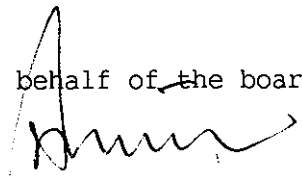
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements the directors are required to:

- 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.

21st June 1999

On behalf of the board


E Button
Director 

KENNEDY TRAVEL (YORKSHIRE) LIMITED**Auditors' report to
Kennedy Travel (Yorkshire) Limited
under section 247B of 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 1998 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
21st June 1999



Harris & Co.
Registered Auditors
Chartered Accountants

KENNEDY TRAVEL (YORKSHIRE) LIMITED
 ABBREVIATED PROFIT AND LOSS ACCOUNT
 for the year ended 31st December 1998

	Note	1998 £	1997 £
Gross profit		2,774,428	2,460,636
Net operating expenses			
Distribution costs		(520,804)	(442,589)
Administrative expenses		(2,071,774)	(1,867,028)
Other operating income		198,493	149,746
Profit on ordinary activities before taxation		380,343	300,765
Taxation	4	(82,338)	(77,056)
Profit on ordinary activities after taxation		298,005	223,709
retained for the year	13		

Movements in reserves are shown in note 13.

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

There are no recognised gains and losses in 1998 or 1997 other than the profit for the year.

KENNEDY TRAVEL (YORKSHIRE) LIMITED

ABBREVIATED BALANCE SHEET

at 31st December 1998

	Note	1998		1997	
		£	£	£	£
Fixed assets					
Tangible assets	5	2,004,593		631,801	
Current assets					
Debtors	7	636,475		550,879	
Cash at bank and in hand		1,382,102		1,549,651	
		<u>2,018,577</u>		<u>2,100,530</u>	
Creditors: amounts falling due within one year	8	(2,212,723)		(1,621,141)	
Net current (liabilities)/assets			(194,146)		479,389
Total assets less current liabilities		1,810,447		1,111,190	
Creditors: amounts falling due after more than one year	9	(562,996)		(161,744)	
		<u>1,247,451</u>		<u>949,446</u>	
Capital and reserves					
Called up share capital	12	75,000		75,000	
Profit and loss account	13	1,172,451		874,446	
Total shareholders' funds	11	<u>1,247,451</u>		<u>949,446</u>	

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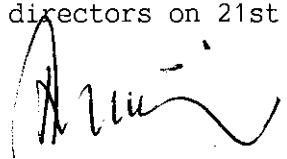
KENNEDY TRAVEL (YORKSHIRE) LIMITED

ABBREVIATED BALANCE SHEET
(continued)

at 31st December 1998

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 21st June 1999 and signed on its behalf by:


E Button
Director 

KENNEDY TRAVEL (YORKSHIRE) LIMITED

CASH FLOW STATEMENT

for the year ended 31st December 1998

	Note	1998		1997	
		£	£	£	£
Net cash inflow from operating activities	16	890,722		457,087	
Taxation					
Corporation tax paid		(77,056)		(59,974)	
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(1,493,592)		(36,790)	
Sale of tangible fixed assets		21,125		3,300	
		<u>(1,472,467)</u>		<u>(33,490)</u>	
		(658,801)		363,623	
Financing					
Debt due within a year:					
Bank loan advances		90,000		-	
Debt due beyond a year:					
Other loan (repayments)/advances		(2,030)		54,560	
Bank loan advances		403,282		-	
		<u>491,252</u>		<u>54,560</u>	
(Decrease)/increase in cash		<u>(167,549)</u>		<u>418,183</u>	

KENNEDY TRAVEL (YORKSHIRE) LIMITED**NOTES ON ABBREVIATED FINANCIAL STATEMENTS****31st December 1998****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 1998

2 Operating profit

	1998 £	1997 £
Operating profit is stated after crediting:		
Interest receivable	198,493	149,746
and after charging:		
Staff costs (note 3)	1,472,921	1,387,838
Auditors' remuneration	13,950	12,000
Operating leases:		
Hire of assets other than plant & machinery	25,238	21,680
Loss on sale of assets	2,802	550
Depreciation of tangible fixed assets (note 5):		
Owned assets	96,873	87,120

KENNEDY TRAVEL (YORKSHIRE) LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31st December 1998

3 Directors and employees

	1998 £	1997 £
Staff costs including directors' emoluments		
Wages and salaries	1,389,921	1,222,238
Pension costs	83,000	165,600
	<u>1,472,921</u>	<u>1,387,838</u>
 Average monthly number employed including executive directors:	 Number	 Number
Administration staff	60	60
	<u>60</u>	<u>60</u>
 Directors	 £	 £
Emoluments	260,900	315,666
Company contributions to money purchase pension schemes	83,000	165,600
	<u>343,900</u>	<u>481,266</u>
 Highest paid director	 £	 £
Emoluments and amounts receivable under long term incentive schemes	127,620	144,333
Company contributions to a money purchase pension scheme	-	88,375
	<u>-</u>	<u>88,375</u>

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 £83,000 (1997 £165,600). Contributions totalling £0 (1997 £0) were payable to the fund at 31st December 1998 and are included in creditors.

4 Taxation

	1998 £	1997 £
Corporation tax on profit on ordinary activities at 23.02% (1997 23.02%)	82,372	77,090
Over provision in earlier years	(34)	(34)
	<u>82,338</u>	<u>77,056</u>

KENNEDY TRAVEL (YORKSHIRE) LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31st December 1998

5 Tangible fixed assets

Cost	Motor Vehicles £	Fixtures and Fittings £	Land and Buildings £	Total £
1st January 1998	124,877	583,845	345,252	1,053,974
Additions	-	209,096	1,284,496	1,493,592
Disposals	(44,216)	-	(33,016)	(77,232)
31st December 1998	80,661	792,941	1,596,732	2,470,334
Depreciation				
1st January 1998	58,774	291,859	71,540	422,173
Charge for the year	10,544	60,866	25,463	96,873
Disposals	(20,289)	-	(33,016)	(53,305)
31st December 1998	49,029	352,725	63,987	465,741
Net book amount				
31st December 1998	31,632	440,216	1,532,745	2,004,593
1st January 1998	66,103	291,986	273,712	631,801

6 Land and buildings

	1998 £	1997 £
Freehold	1,428,991	147,537
Short leasehold	103,754	126,175
	<u>1,532,745</u>	<u>273,712</u>

7 Debtors

	1998 £	1997 £
Amounts falling due within one year		
Trade debtors	227,127	388,542
Other debtors	335,688	55,644
Prepayments and accrued income	73,660	106,693
	<u>636,475</u>	<u>550,879</u>

KENNEDY TRAVEL (YORKSHIRE) LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31st December 1998

8 Creditors: amounts falling due within one year

	1998 £	1997 £
Bank loans and overdrafts (secured)	90,000	-
Trade creditors	1,592,441	1,294,378
Corporation tax	82,372	77,090
Other taxation and social security	151,042	106,267
Other creditors	146,250	29,919
Accruals and deferred income	150,618	113,487
	<u>2,212,723</u>	<u>1,621,141</u>

The company has negotiated a loan facility with its bankers amounting to £931,000. At 31 December 1998 only £493,282 had been drawn leaving a balance of £437,718 available to the company.

9 Creditors: amounts falling due after more than one year

	1998 £	1997 £
Other liabilities		
Bank loans (secured)	403,282	-
Other loans	159,714	161,744
	<u>562,996</u>	<u>161,744</u>
Maturity of debt		
In one year or less, or on demand		
- see note 8	90,000	-
In more than one year but not more than two years	249,714	-
In more than two years but not more than five years	313,282	161,744
	<u>652,996</u>	<u>161,744</u>

As at 31 December 1998 two of the directors had subordinated a portion of their loan account in favour of the Civil Aviation Authority. At that date the total amount subordinated was £99,000, however this was released on 12 January 1999.

KENNEDY TRAVEL (YORKSHIRE) LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31st December 1998

10 Deferred taxation

	1998		1997	
	Amount unprovided	Amount provided	Amount unprovided	Amount provided
	£	£	£	£
Corporation tax deferred by				
Capital allowances in excess of depreciation	46,457	-	36,698	-
	<u>46,457</u>	<u>-</u>	<u>36,698</u>	<u>-</u>

Deferred taxation is based on a corporation tax rate of 23.02% (1997 23.02%).

11 Reconciliation of movements in shareholders' funds

	1998	1997
	£	£
Profit for the financial year representing a Net addition to shareholders' funds	298,005	223,709
Opening shareholders' funds	949,446	725,737
Closing shareholders' funds	<u>1,247,451</u>	<u>949,446</u>

12 Called up share capital

	1998		1997	
	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>

13 Profit and loss account

	1998
	£
1st January 1998	874,446
Retained profit for the year	<u>298,005</u>
31st December 1998	<u>1,172,451</u>

KENNEDY TRAVEL (YORKSHIRE) LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31st December 1998

14 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 1999

	1998 Land and Buildings £	1997 Land and Buildings £
Expiring		
After five years	-	213,129
	-	213,129

15 Liabilities secured on company assets

Name	Amount	Nature of security
Yorkshire Bank plc	£493,282	Legal mortgage on The Kennedy Building, Victoria Road, Leeds.
		Fixed and floating charge over the company assets.

16 Notes to the cash flow statement

Reconciliation of operating profit to operating cash flows

	1998 £	1997 £
Operating profit	380,343	300,765
Depreciation charges	96,873	87,120
Loss on sale of fixed assets	2,802	550
Increase in debtors	(85,596)	(135,199)
Increase in creditors	496,300	203,851
Net cash inflow from operating activities	890,722	457,087

KENNEDY TRAVEL (YORKSHIRE) LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31st December 1998

17 Notes to the cash flow statement (continued)

Analysis of changes in net debt

	At start of year £	Cash flows £	At end of year £
Cash at bank and in hand	1,549,651	(167,549)	1,382,102
		<u>(167,549)</u>	
Debt due within 1 year	-	(90,000)	(90,000)
Debt due after 1 year	(161,744)	(401,252)	(562,996)
		<u>(491,252)</u>	
Total	<u>1,387,907</u>	<u>(658,801)</u>	<u>729,106</u>

Reconciliation of net cash flow to movement in net debt

	1998 £	1997 £
(Decrease)/increase in cash in the year	(167,549)	418,183
Cash inflow from increase in debt and lease financing	(491,252)	(54,560)
Change in net debt resulting from cash flows	<u>(658,801)</u>	<u>363,623</u>
Net debt at 1st January 1998	1,387,907	1,024,284
Net debt at 31st December 1998	<u>729,106</u>	<u>1,387,907</u>