

KENNEDY TRAVEL (YORKSHIRE) LIMITED

ABBREVIATED FINANCIAL STATEMENTS

31st DECEMBER 1999

Registered number: 1325708

HARRIS & CO.

CHARTERED ACCOUNTANTS

Barnsley



KENNEDY TRAVEL (YORKSHIRE) LIMITED

ABBREVIATED FINANCIAL STATEMENTS

for the year ended 31st December 1999

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KENNEDY TRAVEL (YORKSHIRE) LIMITED

COMPANY INFORMATION

31st December 1999

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 1999

The directors present their report and the abbreviated financial statements for the year ended 31st December 1999.

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 £1,497,222.

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 7.

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 1999 Ordinary shares	1st January 1999 Ordinary shares
E Button	60,000	60,000
R M Briggs	7,500	7,500
S P Roberts	—	—

In accordance with the Articles of Association, S P Roberts retires by rotation and offers himself for re-election.

continued

KENNEDY TRAVEL (YORKSHIRE) LIMITED

DIRECTORS' REPORT

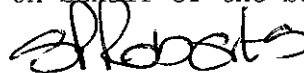
(continued)

31st December 1999

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

8th June 2000

KENNEDY TRAVEL (YORKSHIRE) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

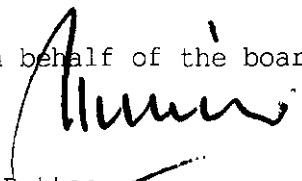
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements the directors are required to:

- 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.

8th June 2000

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 1999 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.



Harris & Co
Registered Auditors
Chartered Accountants

Barnsley
8th June 2000

KENNEDY TRAVEL (YORKSHIRE) LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT

for the year ended 31st December 1999

		1999		1998 as re-stated	
	Note	£	£	£	£
Gross profit			3,440,824		2,774,428
Net operating expenses	3				
Distribution costs			(699,885)		(520,804)
Administrative expenses			(2,517,738)		(2,071,774)
Other operating income			121,291		198,493
Operating profit	2				
Continuing operations		7,332,260		380,343	
Acquisitions		21,886		-	
			344,492		380,343
Profit on ordinary activities before taxation			344,492		380,343
Taxation	5		(94,722)		(82,338)
Profit on ordinary activities after taxation			249,770		298,005
retained for the year	15				

Movements in reserves are shown in note 15.

There are no recognised gains and losses in 1999 or 1998 other than the profit for the year.

KENNEDY TRAVEL (YORKSHIRE) LIMITED

ABBREVIATED BALANCE SHEET

at 31st December 1999

	Note	1999		1998	
		£	£	£	£
Fixed assets					
Intangible assets	6	519,204			—
Tangible assets	7	1,976,439		2,004,593	
		2,495,643		2,004,593	
Current assets					
Debtors	9	653,893	636,475		
Cash at bank and in hand		1,595,979	1,382,102		
		2,249,872	2,018,577		
Creditors: amounts falling due within one year	10	(2,881,274)	(2,212,723)		
Net current liabilities		(631,402)		(194,146)	
Total assets less current liabilities		1,864,241		1,810,447	
Creditors: amounts falling due after more than one year	11	(367,019)	(562,996)		
		1,497,222	1,247,451		
Capital and reserves					
Called up share capital	14	75,000	75,000		
Profit and loss account	15	1,422,222	1,172,451		
Total shareholders' funds	13	1,497,222	1,247,451		

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KENNEDY TRAVEL (YORKSHIRE) LIMITED

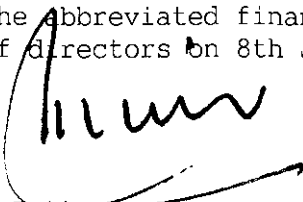
ABBREVIATED BALANCE SHEET

(continued)

at 31st December 1999

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 8th June 2000 and signed on its behalf by:



E Button
Director

KENNEDY TRAVEL (YORKSHIRE) LIMITED

CASH FLOW STATEMENT

for the year ended 31st December 1999

	Note	1999		1998	
		£	£	£	£
Net cash inflow from operating activities	17	756,500		890,722	
Taxation					
Corporation tax paid		(82,372)		(77,056)	
Capital expenditure and financial investment					
Purchase of intangible fixed assets	(546,530)		-		
Purchase of tangible fixed assets	(104,508)		(1,493,592)		
Sale of tangible fixed assets	7,295		21,125		
		(643,743)		(1,472,467)	
		30,385		(658,801)	
Financing					
Debt due within a year:					
Bank loan (repayments)/advances	(90,000)		90,000		
Debt due beyond a year:					
Other loan repayments	(102,174)		(2,030)		
Bank loan (repayments)/advances	(3,803)		403,282		
		(195,977)		491,252	
Decrease in cash		(165,592)		(167,549)	

KENNEDY TRAVEL (YORKSHIRE) LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31st December 1999

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	straight line over remaining term of leases
Motor vehicles	25% per annum on reducing balance
Fixtures and fittings	15% per annum on reducing balance
Goodwill	straight line basis over 20 years

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.

31st December 1999

1999
£

1998
£

Interest receivable	121,291	198,493
and after charging:		
Staff costs (note 4)	1,875,879	1,472,921
Auditors' remuneration	15,450	13,950
Operating leases:		
Hire of assets other than plant & machinery	49,316	25,238
Loss on sale of assets	321	2,802
Depreciation of tangible fixed assets (note 7):		
Owned assets	125,046	96,873
Amortisation of intangible fixed assets	27,326	-
	152,372	96,873

1999

	Continuing operations	Discontinued operations	Total
	Acquisitions		
	£	£	£
Net operating expenses			
Distribution costs	603,677	96,208	—
Administrative expenses	2,262,563	255,175	—
Other operating income	(121,291)	—	—
	<u>2,744,949</u>	<u>351,383</u>	<u>—</u>
			<u>3,096,332</u>

1998 (as re-stated)

	Continuing operations	Discontinued operations	Total
	Acquisitions		
	£	£	£
Net operating expenses			
Distribution costs	520,804	-	520,804
Administrative expenses	2,071,774	-	2,071,774
Other operating income	(198,493)	-	(198,493)
	<u>2,394,085</u>	<u>-</u>	<u>2,394,085</u>

KENNEDY TRAVEL (YORKSHIRE) LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31st December 1999

4 Directors and employees

	1999	1998
Staff costs including directors' emoluments	£	£
Wages and salaries	1,792,879	1,389,921
Pension costs	83,000	83,000
	<u>1,875,879</u>	<u>1,472,921</u>
Average monthly number employed including executive directors:	Number	Number
Administration staff	79	60
Directors	£	£
Emoluments	284,000	260,900
Company contributions to money purchase pension schemes	83,000	83,000
	<u>367,000</u>	<u>343,900</u>
Highest paid director	£	£
Emoluments and amounts receivable under long term incentive schemes	140,000	127,620
Company contributions to a money purchase pension scheme	-	-
	<u>-</u>	<u>-</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 (1998 £83,000).

Contributions totalling £0 (1998 £0) were payable to the fund at 31st December 1999 and are included in creditors.

5 Taxation

	1999	1998
	£	£
UK Corporation tax:		
Current tax on income for the period at 23.46% (1998 23.02%)	94,722	82,372
Adjustments in respect of prior periods	-	(34)
	<u>-</u>	<u>(34)</u>

KENNEDY TRAVEL (YORKSHIRE) LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31st December 1999

6 Intangible fixed assets

	Goodwill £
Cost	
Additions	546,530
31st December 1999	<u>546,530</u>
Amortisation	
Charge for the year	27,326
31st December 1999	<u>27,326</u>
Net book amount	
31st December 1999	<u><u>519,204</u></u>

7 Tangible fixed assets

	Motor Vehicles £	Fixtures and Fittings £	Land and Buildings £	Total £
Cost				
1st January 1999	80,661	792,941	1,596,732	2,470,334
Additions	-	104,508	-	104,508
Disposals	(26,831)	-	-	(26,831)
31st December 1999	<u>53,830</u>	<u>897,449</u>	<u>1,596,732</u>	<u>2,548,011</u>
Depreciation				
1st January 1999	49,029	352,725	63,987	465,741
Charge for the year	6,004	79,506	39,536	125,046
Disposals	(19,215)	-	-	(19,215)
31st December 1999	<u>35,818</u>	<u>432,231</u>	<u>103,523</u>	<u>571,572</u>
Net book amount				
31st December 1999	<u><u>18,012</u></u>	<u><u>465,218</u></u>	<u><u>1,493,209</u></u>	<u><u>1,976,439</u></u>
1st January 1999	<u><u>31,632</u></u>	<u><u>440,216</u></u>	<u><u>1,532,745</u></u>	<u><u>2,004,593</u></u>

KENNEDY TRAVEL (YORKSHIRE) LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31st December 1999

8 Tangible fixed assets (continued)

	1999 £	1998 £
Freehold	1,400,259	1,428,991
Short leasehold	92,950	103,754
	<u>1,493,209</u>	<u>1,532,745</u>

9 Debtors

	1999 £	1998 £
Amounts falling due within one year		
Trade debtors	311,772	227,127
Other debtors	209,969	335,688
Prepayments and accrued income	132,152	73,660
	<u>653,893</u>	<u>636,475</u>

10 Creditors: amounts falling due within one year

	1999 £	1998 £
Bank loans and overdrafts (secured)	469,468	90,000
Trade creditors	1,840,813	1,592,441
Corporation tax	94,722	82,372
Other taxation and social security	107,582	151,042
Other creditors	242,839	146,250
Accruals and deferred income	125,850	150,618
	<u>2,881,274</u>	<u>2,212,723</u>

KENNEDY TRAVEL (YORKSHIRE) LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31st December 1999

11 Creditors: amounts falling due
after more than one year

	1999 £	1998 £
Other liabilities		
Bank loans (secured)	309,479	403,282
Other loans	57,540	159,714
	<u>367,019</u>	<u>562,996</u>
Maturity of debt		
In one year or less, or on demand - see note 10	90,000	90,000
In more than one year but not more than two years	147,540	249,714
In more than two years but not more than five years	219,479	313,282
	<u>457,019</u>	<u>652,996</u>

12 Deferred taxation

	1999		1998	
	Amount unprovided £	Amount provided £	Amount unprovided £	Amount provided £
Corporation tax deferred by				
Capital allowances in excess of depreciation	48,385	-	46,457	-
	<u>48,385</u>	<u>-</u>	<u>46,457</u>	<u>-</u>

Deferred taxation is based on a corporation tax rate of 23.46% (1998 23.02%).

13 Reconciliation of movements in shareholders' funds

	1999 £	1998 £
Profit for the financial year	249,770	298,005
representing a Net addition to shareholders' funds		
Opening shareholders' funds	<u>1,247,452</u>	<u>949,446</u>
Closing shareholders' funds	<u>1,497,222</u>	<u>1,247,451</u>

KENNEDY TRAVEL (YORKSHIRE) LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31st December 1999

14 Called up share capital

	1999		1998	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	100,000	100,000	100,000	100,000
Allotted, called up and fully paid				
Ordinary shares of £1 each	75,000	75,000	75,000	75,000

15 Profit and loss account

	1999 £
1st January 1999	1,172,452
Retained profit for the year	249,770
31st December 1999	1,422,222

16 Liabilities secured on company assets

Name	Amount	Nature of security
Yorkshire Bank plc	£399,479	Legal mortgage on The Kennedy Building, Victoria Road, Leeds.
		Fixed and floating charge over the company assets.

KENNEDY TRAVEL (YORKSHIRE) LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31st December 1999

17 Notes to the cash flow statement

Reconciliation of operating profit
to operating cash flows

	1999 £	1998 £
Operating profit	344,492	380,343
Depreciation charges	125,046	96,873
Amortisation	27,326	-
Loss on sale of fixed assets	321	2,802
Increase in debtors	(17,418)	(85,596)
Increase in creditors	276,733	496,300
Net cash inflow from operating activities	756,500	890,722

18 Notes to the cash flow statement (continued)

Analysis of changes in net debt

	At start of year £	Cash flows £	Other changes £	At end of year £
Cash at bank and in hand	1,382,102	213,877	-	1,595,979
Bank overdrafts	-	(379,468)	-	(379,468)
		(165,591)		
Debt due within 1 year	(90,000)	90,000	(90,000)	(90,000)
Debt due after 1 year	(562,996)	105,977	90,000	(367,019)
		195,977		
Total	729,106	30,386	-	759,492

Reconciliation of net cash flow to movement in net debt

	1999 £	1998 £
Decrease in cash in the year	(165,591)	(167,549)
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing	195,977	(491,252)
Change in net debt resulting from cash flows	30,386	(658,801)
Net debt at 1st January 1999	729,106	1,387,907
Net debt at 31st December 1999	759,492	729,106