

Registration number 1325708

Kennedy Travel (Yorkshire) Limited

Abbreviated accounts

for the year ended 31 December 2004



Kennedy Travel (Yorkshire) Limited

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Kennedy Travel (Yorkshire) Limited

Directors' report for the year ended 31 December 2004

The directors present their report and the accounts for the year ended 31 December 2004.

Principal activity and review of the business

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

Results and dividends

The results for the year are set out on page 3.

The directors have paid an interim dividend amounting to £300,000 and they recommend payment of a final dividend amounting to £50,000.

Directors and their interests

The directors who served during the year and their interests in the company are as stated below:

	Ordinary shares	
	31/12/04	01/01/04
E Button	55,500	60,000
R M Briggs	7,500	7,500
S P Roberts	4,500	-

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 the affairs of the company and of the profit or loss of the company for that year. In preparing these 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.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Harris & Co. be reappointed as auditors of the company will be put to the Annual General Meeting.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

This report was approved by the Board on 28 June 2005 and signed on its behalf by

S P Roberts
Secretary



**Independent auditors' report to Kennedy Travel (Yorkshire) Limited
under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts set out on pages 3 to 15 together with the financial statements of Kennedy Travel (Yorkshire) Limited for the year ended 31 December 2004 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing abbreviated accounts 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 accounts prepared in accordance with Section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with that provision 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 accounts and that the abbreviated accounts are properly prepared. The scope of our work for the purpose of this report did 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 accounts prepared in accordance with Section 246A(3) of the Companies Act 1985 in respect of the year ended 31 December 2004, and the abbreviated accounts on pages 3 to 15 are properly prepared in accordance with that provision.



**Harris & Co.
Chartered Accountants and
Registered Auditors**

28 June 2005

**Marland House
13 Huddersfield Road
Barnsley
South Yorkshire
S70 2LW**

Kennedy Travel (Yorkshire) Limited

Abbreviated profit and loss account for the year ended 31 December 2004

		Continuing operations	
		2004	2003
	Notes	£	£
Gross profit		4,087,634	3,238,641
Distribution costs		(642,232)	(487,792)
Administrative expenses		(3,322,124)	(2,373,102)
Operating profit	2	<u>123,278</u>	<u>377,747</u>
Other interest receivable and similar income	3	<u>162,095</u>	<u>104,711</u>
Profit on ordinary activities before taxation		285,373	482,458
Tax on profit on ordinary activities	6	<u>(74,190)</u>	<u>(121,814)</u>
Profit on ordinary activities after taxation		211,183	360,644
Dividends	7	<u>(350,000)</u>	<u>-</u>
(Loss)/retained profit for the year		<u>(138,817)</u>	<u>360,644</u>
Retained profit brought forward		2,083,403	1,722,759
Retained profit carried forward		<u><u>1,944,586</u></u>	<u><u>2,083,403</u></u>

The notes on pages 6 to 15 form an integral part of these financial statements.

Kennedy Travel (Yorkshire) Limited

Abbreviated balance sheet as at 31 December 2004

		2004		2003	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	8		382,574		409,900
Tangible assets	9		1,435,247		1,474,225
			<u>1,817,821</u>		<u>1,884,125</u>
Current assets					
Debtors	10	1,325,193		730,480	
Cash at bank and in hand		2,662,139		2,843,665	
		<u>3,987,332</u>		<u>3,574,145</u>	
Creditors: amounts falling due within one year	11	(3,749,543)		(3,262,496)	
Net current assets			<u>237,789</u>		<u>311,649</u>
Total assets less current liabilities			2,055,610		2,195,774
Provisions for liabilities and charges	12		(36,024)		(37,371)
Net assets			<u>2,019,586</u>		<u>2,158,403</u>
Capital and reserves					
Called up share capital	14		75,000		75,000
Profit and loss account			1,944,586		2,083,403
Equity shareholders' funds	15		<u>2,019,586</u>		<u>2,158,403</u>

The abbreviated accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies .

The abbreviated accounts were approved by the Board on 28 June 2005 and signed on its behalf by

R M Briggs
Director



The notes on pages 6 to 15 form an integral part of these financial statements.

Kennedy Travel (Yorkshire) Limited

**Cash flow statement
for the year ended 31 December 2004**

	Notes	2004 £	2003 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		123,278	377,747
Depreciation (net of disposals)		115,434	(194,333)
(Increase) in debtors		(594,713)	38,393
Increase in creditors		715,007	161,147
Net cash inflow from operating activities		<u>359,006</u>	<u>382,954</u>
Cash flow statement			
Net cash inflow from operating activities		359,006	382,954
Returns on investments and servicing of finance	18	162,095	104,711
Taxation	18	(127,145)	(60,875)
Capital expenditure	18	(49,130)	333,471
		344,826	760,261
Equity dividends paid		(300,000)	(70,000)
		44,826	690,261
Financing	18	-	(541,725)
Increase in cash in the year		<u>44,826</u>	<u>148,536</u>
Reconciliation of net cash flow to movement in net funds (Note 19)			
Increase in cash in the year		44,826	148,536
Cash inflow from decrease in debts and lease financing		-	541,725
Change in net funds resulting from cash flows		44,826	690,261
Net funds at 1 January 2004		<u>2,533,640</u>	<u>1,843,379</u>
Net funds at 31 December 2004		<u>2,578,466</u>	<u>2,533,640</u>

Kennedy Travel (Yorkshire) Limited

Notes to the abbreviated financial statements for the year ended 31 December 2004

1. Accounting policies

1.1. Accounting convention

The accounts are prepared under the historical cost convention .

1.2. Turnover

Turnover represents the aggregate amount of revenue from inclusive tours, travel agency commission and other services supplied to customers in the ordinary course of business. Revenue relating to inclusive tours arranged by the company is recognised on the date of departure and related costs of holidays are charged to the profit and loss account on the same basis. Revenue relating to travel agency commission on third party leisure travel products is recognised when earned, which is on receipt of the full payment from the customer.

1.3. Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 20 years.

1.4. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Land and buildings	-	Straight line over fifty years
Leasehold properties	-	Straight line over the life of the lease
Fixtures, fittings and equipment	-	15% per annum on reducing balance
Motor vehicles	-	25% per annum on reducing balance

1.5. Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

Kennedy Travel (Yorkshire) Limited

Notes to the abbreviated financial statements for the year ended 31 December 2004

1.7. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1.8. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.

2.	Operating profit	2004	2003
		£	£
	Operating profit is stated after charging:		
	Depreciation and other amounts written off intangible assets	27,326	27,326
	Depreciation and other amounts written off tangible assets	81,095	85,316
	Loss on disposal of tangible fixed assets	7,013	(306,975)
	Operating lease rentals		
	- Land and buildings	283,505	283,505
	- Motor vehicles	15,775	31,803
	Auditors' remuneration	18,500	17,850
		<u> </u>	<u> </u>
3.	Interest receivable and similar income	2004	2003
		£	£
	Bank interest	162,095	104,711
		<u> </u>	<u> </u>

Kennedy Travel (Yorkshire) Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2004**

4. Employees

Number of employees	2004	2003
The average monthly numbers of employees (including the directors) during the year were:		

Administration staff	80	76
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Employment costs	2004	2003
	£	£
Wages and salaries	2,138,403	1,641,889
Social security costs	225,050	150,864
Other pension costs	146,242	119,426
	2,509,695	1,912,179

4.1. Directors' emoluments

	2004	2003
	£	£
Remuneration and other emoluments	659,353	263,150
Pension contributions	69,600	58,600
	728,953	321,750

	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	3	2

Highest paid director	£	£
Amounts included above:		
Emoluments and other benefits	223,203	101,000
Pension contributions	33,000	25,000
	256,203	126,000

5. Pension costs

The company operates a defined contribution pension scheme in respect of certain employees and directors. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £146,242 (2003 - £119,426).

Kennedy Travel (Yorkshire) Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2004**

6. Tax on profit on ordinary activities

Analysis of charge in period	2004 £	2003 £
Current tax		
UK corporation tax	75,568	127,145
Adjustments in respect of previous periods	(31)	-
	<u>75,537</u>	<u>127,145</u>
Total current tax charge	<u>75,537</u>	<u>127,145</u>
Deferred tax		
Timing differences, origination and reversal	(1,347)	(5,331)
Total deferred tax	<u>(1,347)</u>	<u>(5,331)</u>
Tax on profit on ordinary activities	<u><u>74,190</u></u>	<u><u>121,814</u></u>

Factors affecting tax charge for period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (30 per cent). The differences are explained below:

	2004 £	2003 £
Profit on ordinary activities before taxation	<u>285,373</u>	<u>482,458</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (31 December 2003 : 30%)	85,612	144,737
Effects of:		
Expenses not deductible for tax purposes	438	417
Depreciation for period in excess of capital allowances	18,854	22,825
Adjustments to tax charge in respect of previous periods	(31)	-
Marginal relief adjustment	(31,441)	(27,110)
Profit on disposal of leasehold property	-	(13,724)
Loss on disposal of leasehold property	2,105	-
Current tax charge for period	<u><u>75,537</u></u>	<u><u>127,145</u></u>

Kennedy Travel (Yorkshire) Limited

Notes to the abbreviated financial statements for the year ended 31 December 2004

7. Dividends	2004	2003
	£	£
Dividends on equity shares:		
Ordinary shares - interim paid	300,000	-
Ordinary shares - final proposed	50,000	-
	<u>350,000</u>	<u>-</u>
8. Intangible fixed assets	Goodwill	Total
	£	£
Cost		
At 1 January 2004	546,530	546,530
At 31 December 2004	<u>546,530</u>	<u>546,530</u>
Provision for diminution in value		
At 1 January 2004	136,630	136,630
Charge for year	27,326	27,326
At 31 December 2004	<u>163,956</u>	<u>163,956</u>
Net book values		
At 31 December 2004	<u>382,574</u>	<u>382,574</u>
At 31 December 2003	<u>409,900</u>	<u>409,900</u>

Kennedy Travel (Yorkshire) Limited

Notes to the abbreviated financial statements for the year ended 31 December 2004

9. Tangible fixed assets	Land and buildings freehold £	Short leasehold property £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2004	1,284,496	91,725	972,749	34,080	2,383,050
Additions	-	-	49,130	-	49,130
Disposals	-	(52,513)	-	-	(52,513)
At 31 December 2004	1,284,496	39,212	1,021,879	34,080	2,379,667
Depreciation					
At 1 January 2004	128,450	73,914	674,785	31,676	908,825
On disposals	-	(45,500)	-	-	(45,500)
Charge for the year	25,690	2,743	52,061	601	81,095
At 31 December 2004	154,140	31,157	726,846	32,277	944,420
Net book values					
At 31 December 2004	1,130,356	8,055	295,033	1,803	1,435,247
At 31 December 2003	1,156,046	17,811	297,964	2,404	1,474,225

10. Debtors	2004 £	2003 £
Trade debtors	832,327	530,504
Other debtors	228,168	82,623
Prepayments and accrued income	264,698	117,353
	1,325,193	730,480

Kennedy Travel (Yorkshire) Limited

Notes to the abbreviated financial statements for the year ended 31 December 2004

11. Creditors: amounts falling due within one year	2004 £	2003 £
Bank overdraft	83,642	310,025
Trade creditors	2,762,077	2,597,556
Corporation tax	75,568	127,145
Other taxes and social security costs	108,435	57,484
Directors' accounts	381,563	35,282
Other creditors	63,308	49,579
Accruals and deferred income	224,950	85,425
Proposed dividend	50,000	-
	<u>3,749,543</u>	<u>3,262,496</u>

12. Provisions for liabilities and charges

	Deferred taxation (Note 13) £	Total £
At 1 January 2004	37,371	37,371
Movements in the year	1,347	1,347
At 31 December 2004	<u>36,024</u>	<u>36,024</u>

13. Provision for deferred taxation	2004 £	2003 £
Accelerated capital allowances	<u>36,024</u>	<u>37,371</u>
Provision at 1 January 2004	37,371	
Deferred tax charge in profit and loss account	(1,347)	
Provision at 31 December 2004	<u>36,024</u>	

Kennedy Travel (Yorkshire) Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2004**

14. Share capital	2004	2003
	£	£
Authorised		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid		
75,000 Ordinary shares of £1 each	<u>75,000</u>	<u>75,000</u>
15. Reconciliation of movements in shareholders' funds	2004	2003
	£	£
Profit for the year	211,183	360,644
Dividends	(350,000)	-
	(138,817)	360,644
Opening shareholders' funds	<u>2,158,403</u>	<u>1,797,759</u>
Closing shareholders' funds	<u>2,019,586</u>	<u>2,158,403</u>

16. Financial commitments

At 31 December 2004 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2004	2003
	£	£
Expiry date:		
Within one year	42,500	34,000
Between one and five years	34,000	42,500
In over five years	<u>207,005</u>	<u>207,005</u>
	<u>283,505</u>	<u>283,505</u>

Kennedy Travel (Yorkshire) Limited

Notes to the abbreviated financial statements for the year ended 31 December 2004

17. Related party transactions

E Button	-	A director of the company
R M Briggs	-	A director of the company
S P Roberts	-	A director and the company secretary

The following balances were owed to/(due from) Kennedy Travel (Yorkshire) Limited as at 31st December :-

	2004 £	2003 £
E Button	(166,490)	(272)
R M Briggs	(124,384)	(2,711)
S P Roberts	(90,689)	(32,299)

18. Gross cash flows

	2004 £	2003 £
Returns on investments and servicing of finance		
Interest received	162,095	104,711
Taxation		
Corporation tax paid	(127,145)	(60,875)
Capital expenditure		
Payments to acquire tangible assets	(49,130)	(9,988)
Receipts from sales of tangible assets	-	343,459
	(49,130)	333,471
Financing		
New long term bank loan	-	(486,725)
Repayment of short term bank loan	-	(55,000)
	-	(541,725)