

Registration number 1325708

Kennedy Travel (Yorkshire) Limited

Abbreviated accounts

for the year ended 31 December 2005



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Kennedy Travel (Yorkshire) Limited

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Kennedy Travel (Yorkshire) Limited

Directors' report for the year ended 31 December 2005

The directors present their report and the accounts for the year ended 31 December 2005.

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 profit for the year, after taxation, amounted to £55,680. Particulars of dividends paid and proposed are detailed in the notes to the financial statements.

On the 27 June 2006, a final dividend of 57.33p per share was declared for the year ended 31 December 2005. This will be incorporated into the financial statements for the year ended 31 December 2006.

Directors and their interests

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

	Class of share	31/12/05	01/01/05
E Button	Ordinary shares	55,500	55,500
R M Briggs	Ordinary shares	7,500	7,500
S P Roberts	Ordinary shares	4,500	4,500

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

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.

The directors of a company must, in determining how amounts are presented within items in the profit and loss account and balance sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles and practice.

Kennedy Travel (Yorkshire) Limited

**Directors' report
for the year ended 31 December 2005**

..... continued

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 29 June 2006 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 4 to 17 together with the financial statements of Kennedy Travel (Yorkshire) Limited for the year ended 31 December 2005 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 work has been undertaken so that we might state to the company 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 as a body, for our 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 2005, and the abbreviated accounts on pages 4 to 17 are properly prepared in accordance with that provision.



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

29 June 2006

**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 2005

		Continuing operations	
		2005	2004
		£	Restated £
	Notes		
Gross profit		3,810,405	4,087,634
Distribution costs		(607,297)	(642,232)
Administrative expenses		(3,284,229)	(3,322,124)
Operating (loss)/profit	2	<u>(81,121)</u>	<u>123,278</u>
Other interest receivable and similar income	3	<u>173,320</u>	<u>162,095</u>
Profit on ordinary activities before taxation		92,199	285,373
Tax on profit on ordinary activities	6	<u>(36,519)</u>	<u>(74,190)</u>
Profit for the year	14	<u><u>55,680</u></u>	<u><u>211,183</u></u>

There are no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 7 to 17 form an integral part of these financial statements.

Kennedy Travel (Yorkshire) Limited

**Abbreviated balance sheet
as at 31 December 2005**

		2005		2004 Restated	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	7		355,248		382,574
Tangible assets	8		1,450,784		1,435,247
			<u>1,806,032</u>		<u>1,817,821</u>
Current assets					
Debtors	9	1,359,366		1,325,193	
Cash at bank and in hand		<u>2,246,772</u>		<u>2,662,139</u>	
		3,606,138		3,987,332	
Creditors: amounts falling due within one year	10	<u>(3,302,236)</u>		<u>(3,699,543)</u>	
Net current assets			<u>303,902</u>		<u>287,789</u>
Total assets less current liabilities			2,109,934		2,105,610
Provisions for liabilities	11		<u>(34,668)</u>		<u>(36,024)</u>
Net assets			<u>2,075,266</u>		<u>2,069,586</u>
Capital and reserves					
Called up share capital	13		75,000		75,000
Profit and loss account	14		<u>2,000,266</u>		<u>1,994,586</u>
Shareholders' funds	15		<u>2,075,266</u>		<u>2,069,586</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 29 June 2006 and signed on its behalf by



R M Briggs
Director

The notes on pages 7 to 17 form an integral part of these financial statements.

Kennedy Travel (Yorkshire) Limited

Cash flow statement for the year ended 31 December 2005

	Notes	2005 £	2004 £
Reconciliation of operating (loss)/profit to net cash (outflow)/inflow from operating activities			
Operating (loss)/profit		(81,121)	123,278
Depreciation		112,705	115,434
(Increase) in debtors		(34,173)	(594,713)
(Decrease) in creditors		(318,130)	715,007
Net cash (outflow)/inflow from operating activities		<u>(320,719)</u>	<u>359,006</u>
Cash flow statement			
Net cash (outflow)/inflow from operating activities		(320,719)	359,006
Returns on investments and servicing of finance	19	173,320	162,095
Taxation	19	(75,559)	(127,114)
Capital expenditure	19	(100,916)	(49,130)
		<u>(323,874)</u>	<u>344,857</u>
Equity dividends paid		(50,000)	(300,000)
(Decrease)/increase in cash in the year		<u>(373,874)</u>	<u>44,857</u>
Reconciliation of net cash flow to movement in net debt (Note 20)			
(Decrease)/increase in cash in the year		(373,874)	44,857
Net funds at 1 January 2005		<u>2,578,497</u>	<u>2,533,640</u>
Net funds at 31 December 2005		<u>2,204,623</u>	<u>2,578,497</u>

Kennedy Travel (Yorkshire) Limited

Notes to the abbreviated financial statements for the year ended 31 December 2005

1. Accounting policies

1.1. Accounting convention

The accounts are prepared under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board.

1.2. Changes in accounting policy

In preparing the financial statements for the current year, the company has adopted the following Financial Reporting Standards:

-FRS 21 Events after the Balance Sheet Date;

FRS 21 'Events after the Balance Sheet Date'

The adoption of FRS 21 has resulted in a change in accounting policy in respect of proposed equity dividends. If the company declares dividends to the holders of equity instruments after the balance sheet date, the company does not recognise those dividends as a liability at the balance sheet date. The aggregate amount of equity dividends proposed before approval of the financial statements, which have not been shown as liabilities at the balance sheet date, are disclosed in the notes to the financial statements. Previously, proposed equity dividends were recorded as liabilities at the balance sheet date.

This change in accounting policy has resulted in a prior year adjustment for the company. Shareholders' funds at 1 January 2004 have been increased by £50,000. For year ended 31 December 2004, the change in accounting policy has resulted in a net increase in retained profit for the year of £50,000. The balance sheet at 31 December 2004 has been restated to reflect the de-recognition of a liability for proposed equity dividends of £50,000. For year ended 31 December 2005, the change in accounting policy has resulted in a net increase in retained profit for the year of £50,000.

1.3. 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.

1.4. Goodwill

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

Kennedy Travel (Yorkshire) Limited

Notes to the abbreviated financial statements for the year ended 31 December 2005

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1.5. 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

1.6. Leasing

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

1.7. Pensions

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

1.8. 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.

1.9. 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.

Kennedy Travel (Yorkshire) Limited

Notes to the abbreviated financial statements for the year ended 31 December 2005

..... continued

2. Operating (loss)/profit	2005	2004
	£	£
Operating (loss)/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	85,379	81,095
Loss on disposal of tangible fixed assets	-	7,013
Operating lease rentals		
- Motor vehicles	18,173	15,775
Auditors' remuneration	19,425	18,500
	<u> </u>	<u> </u>
3. Interest receivable and similar income	2005	2004
	£	£
Bank interest	173,320	162,095
	<u> </u>	<u> </u>
4. Employees		
Number of employees	2005	2004
The average monthly numbers of employees (including the directors) during the year were:		
Administration staff	86	80
	<u> </u>	<u> </u>
Employment costs	2005	2004
	£	£
Wages and salaries	2,175,844	2,138,403
Social security costs	222,984	225,050
Pension costs-other operating charge	79,410	146,242
	<u> </u>	<u> </u>
	<u>2,478,238</u>	<u>2,509,695</u>

Kennedy Travel (Yorkshire) Limited

Notes to the abbreviated financial statements for the year ended 31 December 2005

..... continued

4.1. Directors' emoluments	2005	2004
	£	£
Remuneration and other emoluments	569,550	659,353
Pension contributions	33,600	69,600
	<u>603,150</u>	<u>728,953</u>
	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	<u>3</u>	<u>2</u>
Highest paid director	£	£
Amounts included above:		
Emoluments and other benefits	222,800	223,203
Pension contributions	3,600	33,000
	<u>226,400</u>	<u>256,203</u>

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 £79,410 (2004 - £146,242).

Kennedy Travel (Yorkshire) Limited

Notes to the abbreviated financial statements for the year ended 31 December 2005

..... continued

6. Tax on profit on ordinary activities

Analysis of charge in period	2005 £	2004 £
Current tax		
UK corporation tax	37,884	75,568
Adjustments in respect of previous periods	(9)	(31)
	<u>37,875</u>	<u>75,537</u>
Total current tax charge	<u>37,875</u>	<u>75,537</u>
Deferred tax		
Timing differences, origination and reversal	(1,356)	(1,347)
Total deferred tax	<u>(1,356)</u>	<u>(1,347)</u>
Tax on profit on ordinary activities	<u>36,519</u>	<u>74,190</u>

Factors affecting tax charge for period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (19 per cent). The differences are explained below:

	2005 £	2004 £
Profit on ordinary activities before taxation	<u>92,199</u>	<u>285,373</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (31 December 2004 : 30%)	17,518	85,612
Effects of:		
Expenses not deductible for tax purposes	7,316	438
Depreciation for period in excess of capital allowances	13,050	18,854
Adjustments to tax charge in respect of previous periods	(9)	(31)
Marginal relief adjustment	-	(31,441)
Loss on disposal of leasehold property	-	2,105
Current tax charge for period	<u>37,875</u>	<u>75,537</u>

Kennedy Travel (Yorkshire) Limited

Notes to the abbreviated financial statements for the year ended 31 December 2005

..... continued

7. Intangible fixed assets

	Goodwill £	Total £
Cost		
At 1 January 2005	546,530	546,530
At 31 December 2005	546,530	546,530
Provision for diminution in value		
At 1 January 2005	163,956	163,956
Charge for year	27,326	27,326
At 31 December 2005	191,282	191,282
Net book values		
At 31 December 2005	355,248	355,248
At 31 December 2004	382,574	382,574

8. Tangible fixed assets

	Land and buildings freehold £	Short leasehold property £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2005	1,284,496	39,212	1,021,879	34,080	2,379,667
Additions	-	57,885	43,031	-	100,916
At 31 December 2005	1,284,496	97,097	1,064,910	34,080	2,480,583
Depreciation					
At 1 January 2005	154,140	31,157	726,846	32,277	944,420
Charge for the year	25,690	8,532	50,706	451	85,379
At 31 December 2005	179,830	39,689	777,552	32,728	1,029,799
Net book values					
At 31 December 2005	1,104,666	57,408	287,358	1,352	1,450,784
At 31 December 2004	1,130,356	8,055	295,033	1,803	1,435,247

Kennedy Travel (Yorkshire) Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2005**

..... continued

9. Debtors	2005	2004
	£	£
Trade debtors	891,625	832,327
Other debtors	281,556	228,168
Prepayments and accrued income	186,185	264,698
	<u>1,359,366</u>	<u>1,325,193</u>
 10. Creditors: amounts falling due within one year	 2005	 2004
	£	Restated £
Bank overdraft	42,149	83,642
Trade creditors	2,607,982	2,762,077
Corporation tax	37,884	75,568
Other taxes and social security costs	230,255	108,435
Directors' accounts	107,664	381,563
Other creditors	76,517	63,308
Accruals and deferred income	199,785	224,950
	<u>3,302,236</u>	<u>3,699,543</u>
 11. Provisions for liabilities		
	Deferred taxation (Note 12)	Total
	£	£
At 1 January 2005	36,024	36,024
Movements in the year	1,356	1,356
At 31 December 2005	<u>34,668</u>	<u>34,668</u>

Kennedy Travel (Yorkshire) Limited

Notes to the abbreviated financial statements for the year ended 31 December 2005

..... continued

12. Provision for deferred taxation	2005	2004
	£	£
Accelerated capital allowances	<u>34,668</u>	<u>36,024</u>
Provision at 1 January 2005	36,024	
Deferred tax credit in profit and loss account	(1,356)	
Provision at 31 December 2005	<u>34,668</u>	
 13. Share capital	 2005	 2004
	£	£
Authorised equity		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid equity		
75,000 Ordinary shares of £1 each	<u>75,000</u>	<u>75,000</u>
 Equity Shares		
75,000 Ordinary shares of £1 each	<u>75,000</u>	<u>75,000</u>
 14. Equity Reserves	 Profit and loss account	 Total
	£	£
At 1 January 2005 as previously stated	1,944,586	1,944,586
Prior year adjustment - FRS 21	50,000	50,000
At 1 January 2005 as restated	1,994,586	1,994,586
Profit for the year	55,680	55,680
Equity Dividends	(50,000)	(50,000)
At 31 December 2005	<u>2,000,266</u>	<u>2,000,266</u>

Kennedy Travel (Yorkshire) Limited

Notes to the abbreviated financial statements for the year ended 31 December 2005

..... continued

15. Reconciliation of movements in shareholders' funds

	2005	As restated
	£	£
Profit for the year	55,680	211,183
Dividends	(50,000)	(300,000)
Net addition to shareholders funds	<u>5,680</u>	<u>(88,817)</u>
Opening shareholders' funds	2,019,586	2,158,403
Prior year adjustment	<u>50,000</u>	<u>-</u>
Opening shareholders' funds as restated	<u>2,069,586</u>	<u>2,158,403</u>
Closing shareholders' funds	<u><u>2,075,266</u></u>	<u><u>2,069,586</u></u>

16. Financial commitments

At 31 December 2005 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2005	2004
	£	£
Expiry date:		
Within one year	-	42,500
Between one and five years	34,000	34,000
In over five years	<u>233,777</u>	<u>207,005</u>
	<u><u>267,777</u></u>	<u><u>283,505</u></u>

Kennedy Travel (Yorkshire) Limited

Notes to the abbreviated financial statements for the year ended 31 December 2005

..... continued

17. Transactions with directors

The following directors had interest free loans during the year. The movements on these loans are as follows:

	Amount owing		Maximum in year
	2005 £	2004 £	
E Button	<u>207,752</u>	<u>-</u>	<u>292,752</u>

It is the intention of the director to repay the loan by 30th September 2006.

18. 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 :-

	2005 £	2004 £
E Button	207,752	(166,490)
R M Briggs	(52,775)	(124,384)
S P Roberts	(54,889)	(90,689)

Kennedy Travel (Yorkshire) Limited

Notes to the abbreviated financial statements for the year ended 31 December 2005

..... continued

19. Gross cash flows

	2005 £	2004 £
Returns on investments and servicing of finance		
Interest received	<u>173,320</u>	<u>162,095</u>
Taxation		
Corporation tax paid	<u>(75,559)</u>	<u>(127,114)</u>
Capital expenditure		
Payments to acquire tangible assets	<u>(100,916)</u>	<u>(49,130)</u>

20. Analysis of changes in net funds

	Opening balance £	Cash flows £	Closing balance £
Cash at bank and in hand	2,662,139	(415,367)	2,246,772
Overdrafts	<u>(83,642)</u>	<u>41,493</u>	<u>(42,149)</u>
	2,578,497	(373,874)	2,204,623
Net funds	<u>2,578,497</u>	<u>(373,874)</u>	<u>2,204,623</u>