

Registration number 1325708

Kennedy Travel (Yorkshire) Limited

Abbreviated accounts

for the year ended 31 December 2006



Kennedy Travel (Yorkshire) Limited

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Kennedy Travel (Yorkshire) Limited

Directors' report for the year ended 31 December 2006

The directors present their report and the accounts for the year ended 31 December 2006

Principal activity and review of the business

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

The directors aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year-end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face. In addition, as the company is only required to file abbreviated accounts at Companies House, and so is not required to disclose turnover in its profit & loss account, the company has not presented turnover and gross profit analyses in this business review.

Overall profit before tax has decreased to £40,955 from £92,199 in the previous year. After taxation, £32,144 has been retained to be added to reserves (2006 £55,680). No final dividend has been declared for the year ended 31 December 2006.

As for many businesses of our size, the business environment in which we operate continues to be challenging. The tour operator and travel agents market in the UK is competitive and margins continue to be tight. We are also subject to consumer spending patterns, consumers' overall level of disposable income within the economy and the impact of exchange rate movements.

With these risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen future events outside of our control.

Results and dividends

The profit for the year, after taxation, amounted to £32,144. Particulars of dividends paid and proposed are detailed in the notes to the financial statements.

Financial risk management objectives and policies

The company's operations expose it to a variety of financial risks that include the effects of changes in credit risk, liquidity risk and interest rate risk. The company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

The board of directors is responsible for monitoring financial risk and for deciding where it would be appropriate to use financial instruments to manage this risk.

Exchange rate risk

As the company transacts substantially in US dollars, it is exposed to exchange risk, which it manages by keeping under review the need for forward contracts to purchase dollars.

Price Risk

The company has no exposure to equity securities price risk, as it holds no listed or other equity investments.

Kennedy Travel (Yorkshire) Limited

Directors' report for the year ended 31 December 2006

continued

Credit Risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made

Liquidity Risk

The company actively maintains sufficient cash and bank balances to ensure the company has sufficient available funds for operations and any planned expansions

Interest Rate Cash Flow Risk

The company has interest bearing assets, comprising cash and bank balances which earn interest at variable rates. The board of directors regularly review the mix of cash, overdraft and debt to manage interest rate risk

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,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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

Statement of disclosure of information to auditors

Each of the directors have confirmed that

- so far as the director is aware there is no relevant audit information of which the company's auditors are unaware,
- the director has taken all steps that ought to have been taken as a director in order to make him or herself aware of any relevant information and to establish that the company's auditors are aware of that information

Kennedy Travel (Yorkshire) Limited

**Directors' report
for the year ended 31 December 2006**

continued

Auditors

Our auditors, Harris & Co, converted to a Limited Liability Partnership, Harrisaccounts LLP, on 1 April 2007. In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Harrisaccounts LLP 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 27 June 2007 and signed on its behalf by

**S P Roberts
Secretary**

A handwritten signature in black ink, appearing to read 'S P Roberts', with a horizontal line underneath.

**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 5 to 16 together with the financial statements of Kennedy Travel (Yorkshire) Limited for the year ended 31 December 2006 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 abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin, we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985 and the abbreviated accounts have been properly prepared in accordance with that provision.

Harrisaccounts LLP

**Harrisaccounts LLP
Chartered Accountants and
Registered Auditors**

27 June 2007

**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 2006

		Continuing operations	
		2006	2005
	Notes	£	£
Gross profit		3,676,287	3,810,405
Distribution costs		(987,391)	(607,297)
Administrative expenses		(2,797,279)	(3,284,229)
Operating loss	2	(108,383)	(81,121)
Other interest receivable and similar income	3	149,338	173,320
Profit on ordinary activities before taxation		40,955	92,199
Tax on profit on ordinary activities	6	(8,811)	(36,519)
Profit on ordinary activities after taxation		32,144	55,680
Profit for the year	14	32,144	55,680

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

The notes on pages 8 to 16 form an integral part of these financial statements.

Kennedy Travel (Yorkshire) Limited

Abbreviated balance sheet as at 31 December 2006

	Notes	2006		2005	
		£	£	£	£
Fixed assets					
Intangible assets	7		232,615		355,248
Tangible assets	8		1,382,550		1,450,784
			<u>1,615,165</u>		<u>1,806,032</u>
Current assets					
Debtors	9	961,588		1,359,366	
Cash at bank and in hand		<u>2,451,356</u>		<u>2,246,772</u>	
		3,412,944		3,606,138	
Creditors: amounts falling due within one year	10	<u>(2,931,711)</u>		<u>(3,302,236)</u>	
Net current assets			<u>481,233</u>		<u>303,902</u>
Total assets less current liabilities			2,096,398		2,109,934
Provisions for liabilities	11		<u>(31,988)</u>		<u>(34,668)</u>
Net assets			<u>2,064,410</u>		<u>2,075,266</u>
Capital and reserves					
Called up share capital	13		75,000		75,000
Profit and loss account	14		<u>1,989,410</u>		<u>2,000,266</u>
Equity shareholders' funds			<u>2,064,410</u>		<u>2,075,266</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 27 June 2007 and signed on its behalf by


R M Briggs
Director

The notes on pages 8 to 16 form an integral part of these financial statements.

Kennedy Travel (Yorkshire) Limited

Cash flow statement for the year ended 31 December 2006

	Notes	2006 £	2005 £
Reconciliation of operating loss to net cash inflow from operating activities			
Operating loss		(108,383)	(81,121)
Depreciation		43,132	112,705
Decrease in debtors		397,778	(34,173)
(Decrease) in creditors		(301,983)	(318,130)
Net cash inflow from operating activities		<u>30,544</u>	<u>(320,719)</u>
Cash flow statement			
Net cash inflow from operating activities		30,544	(320,719)
Returns on investments and servicing of finance	18	149,338	173,320
Taxation	18	(37,884)	(75,559)
Capital expenditure	18	147,735	(100,916)
		<u>289,733</u>	<u>(323,874)</u>
Equity dividends paid		(43,000)	(50,000)
Increase in cash in the year		<u>246,733</u>	<u>(373,874)</u>
Reconciliation of net cash flow to movement in net funds (Note 19)			
Increase in cash in the year		246,733	(373,874)
Net funds at 1 January 2006		2,204,623	2,578,497
Net funds at 31 December 2006		<u>2,451,356</u>	<u>2,204,623</u>

Kennedy Travel (Yorkshire) Limited

Notes to the abbreviated financial statements for the year ended 31 December 2006

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. 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 2006

continued

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 loss	2006	2005
	£	£
Operating loss is stated after charging		
Depreciation and other amounts written off intangible assets	(36,211)	27,326
Depreciation and other amounts written off tangible assets	79,343	85,379
Operating lease rentals		
- Motor vehicles	10,779	18,173
Auditors' remuneration	20,750	19,425
	<u> </u>	<u> </u>
3. Interest receivable and similar income	2006	2005
	£	£
Bank interest	149,338	173,320
	<u> </u>	<u> </u>

Kennedy Travel (Yorkshire) Limited

Notes to the abbreviated financial statements for the year ended 31 December 2006

continued

4. Employees

Number of employees	2006	2005
The average monthly numbers of employees (including the directors) during the year were		
Administration staff	<u>79</u>	<u>86</u>
Employment costs	2006	2005
	£	£
Wages and salaries	1,877,200	2,175,844
Social security costs	190,438	222,984
Pension costs-other operating charge	<u>123,075</u>	<u>79,410</u>
	<u>2,190,713</u>	<u>2,478,238</u>

4.1. Directors' emoluments

	2006	2005
	£	£
Remuneration and other emoluments	401,000	569,550
Pension contributions	<u>50,000</u>	<u>33,600</u>
	<u>451,000</u>	<u>603,150</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	201,000	222,800
Pension contributions	<u>25,000</u>	<u>3,600</u>
	<u>226,000</u>	<u>226,400</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 £123,075 (2005 - £79,410)

Kennedy Travel (Yorkshire) Limited

Notes to the abbreviated financial statements for the year ended 31 December 2006

continued

6. Tax on profit on ordinary activities

Analysis of charge in period	2006 £	2005 £
Current tax		
UK corporation tax	11,491	37,884
Adjustments in respect of previous periods	-	(9)
	<u>11,491</u>	<u>37,875</u>
Total current tax charge	<u>11,491</u>	<u>37,875</u>
Deferred tax		
Timing differences, origination and reversal	(2,680)	(1,356)
Total deferred tax	<u>(2,680)</u>	<u>(1,356)</u>
Tax on profit on ordinary activities	<u>8,811</u>	<u>36,519</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

	2006 £	2005 £
Profit on ordinary activities before taxation	<u>40,955</u>	<u>92,199</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (31 December 2005 19%)	12,287	17,518
Effects of:		
Expenses not deductible for tax purposes	2,220	7,316
Depreciation for period in excess of capital allowances	3,638	13,050
Adjustments to tax charge in respect of previous periods	-	(9)
Marginal relief adjustment	(6,654)	-
Current tax charge for period	<u>11,491</u>	<u>37,875</u>

Kennedy Travel (Yorkshire) Limited

Notes to the abbreviated financial statements for the year ended 31 December 2006

continued

7. Intangible fixed assets

	Goodwill £	Total £
Cost		
At 1 January 2006	546,530	546,530
Adjustment to purchase consideration	(158,844)	(158,844)
At 31 December 2006	<u>387,686</u>	<u>387,686</u>
Amortisation		
At 1 January 2006	191,282	191,282
Charge for year	(36,211)	(36,211)
At 31 December 2006	<u>155,071</u>	<u>155,071</u>
Net book values		
At 31 December 2006	<u>232,615</u>	<u>232,615</u>
At 31 December 2005	<u>355,248</u>	<u>355,248</u>

8. Tangible fixed assets

	Land and buildings freehold £	Short leasehold property £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2006	1,284,496	97,097	1,064,910	34,080	2,480,583
Additions	-	-	11,109	-	11,109
At 31 December 2006	<u>1,284,496</u>	<u>97,097</u>	<u>1,076,019</u>	<u>34,080</u>	<u>2,491,692</u>
Depreciation					
At 1 January 2006	179,830	39,689	777,552	32,728	1,029,799
Charge for the year	25,690	8,545	44,770	338	79,343
At 31 December 2006	<u>205,520</u>	<u>48,234</u>	<u>822,322</u>	<u>33,066</u>	<u>1,109,142</u>
Net book values					
At 31 December 2006	<u>1,078,976</u>	<u>48,863</u>	<u>253,697</u>	<u>1,014</u>	<u>1,382,550</u>
At 31 December 2005	<u>1,104,666</u>	<u>57,408</u>	<u>287,358</u>	<u>1,352</u>	<u>1,450,784</u>

Kennedy Travel (Yorkshire) Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2006**

continued

9. Debtors	2006	2005
	£	£
Trade debtors	611,272	891,625
Other debtors	174,000	281,556
Prepayments and accrued income	176,316	186,185
	<u>961,588</u>	<u>1,359,366</u>
 10. Creditors: amounts falling due within one year	 2006	 2005
	£	£
Bank overdraft	-	42,149
Trade creditors	2,282,143	2,607,982
Corporation tax	11,491	37,884
Other taxes and social security costs	236,268	230,255
Directors' accounts	77,933	107,664
Other creditors	20,458	76,517
Accruals and deferred income	303,418	199,785
	<u>2,931,711</u>	<u>3,302,236</u>
 11. Provisions for liabilities	 Deferred taxation (Note 12)	 Total
	£	£
At 1 January 2006	34,668	34,668
Movements in the year	2,680	2,680
At 31 December 2006	<u>31,988</u>	<u>31,988</u>

Kennedy Travel (Yorkshire) Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2006**

continued

12. Provision for deferred taxation	2006	2005
	£	£
Accelerated capital allowances	<u>31,988</u>	<u>34,668</u>
Provision at 1 January 2006	34,668	
Deferred tax charge in profit and loss account	<u>(2,680)</u>	
Provision at 31 December 2006	<u>31,988</u>	
 13. Share capital	 2006	 2005
	£	£
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 2006	2,000,266	2,000,266
Profit for the year	32,144	32,144
Equity Dividends	<u>(43,000)</u>	<u>(43,000)</u>
At 31 December 2006	<u>1,989,410</u>	<u>1,989,410</u>

Kennedy Travel (Yorkshire) Limited

Notes to the abbreviated financial statements for the year ended 31 December 2006

continued

15. Financial commitments

At 31 December 2006 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2006	2005
	£	£
Expiry date:		
Between one and five years	175,000	34,000
In over five years	116,811	233,777
	<u>291,811</u>	<u>267,777</u>

16. Transactions with directors

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

	Amount owing		Maximum
	2006	2005	in year
	£	£	£
E Button	<u>-</u>	<u>207,752</u>	<u>207,752</u>

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 -

	2006	2005
	£	£
E Button	(479)	207,752
R M Briggs	(61,925)	(52,775)
S P Roberts	(15,529)	(54,889)

Kennedy Travel (Yorkshire) Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2006**

continued

18. Gross cash flows

	2006	2005
	£	£
Returns on investments and servicing of finance		
Interest received	<u>149,338</u>	<u>173,320</u>
Taxation		
Corporation tax paid	<u>(37,884)</u>	<u>(75,559)</u>
Capital expenditure		
Payments to acquire tangible assets	(11,109)	(100,916)
Adjustment to purchase consideration	<u>158,844</u>	<u>-</u>
	<u>147,735</u>	<u>(100,916)</u>

19. Analysis of changes in net funds

	Opening balance	Cash flows	Closing balance
	£	£	£
Cash at bank and in hand	2,246,772	204,584	2,451,356
Overdrafts	<u>(42,149)</u>	<u>42,149</u>	<u>-</u>
	<u>2,204,623</u>	<u>246,733</u>	<u>2,451,356</u>
Net funds	<u>2,204,623</u>	<u>246,733</u>	<u>2,451,356</u>