

Registration number 1325708

Kennedy Travel (Yorkshire) Limited

Abbreviated accounts

for the year ended 31 December 2007

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Kennedy Travel (Yorkshire) Limited

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Kennedy Travel (Yorkshire) Limited

Directors' report for the year ended 31 December 2007

The directors present their report and the accounts for the year ended 31 December 2007

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 increased to £99,169 from £40,955 in the previous year. After taxation £17,908 has been deducted from reserves (2006 £32,144 retained in reserves). No final dividend has been declared for the year ended 31 December 2007.

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.

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.

Credit Risk

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

Kennedy Travel (Yorkshire) Limited

Directors' report for the year ended 31 December 2007

continued

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 and their interests

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

	Class of share	31/12/07	01/01/07
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

The directors regret to report the death of E Button on 10 May 2008

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 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

In so far as the directors are aware

- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit 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 2007**

continued

Auditors

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 23 June 2008 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 5 to 16 together with the financial statements of Kennedy Travel (Yorkshire) Limited for the year ended 31 December 2007 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 it in a special auditor's 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 for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and the auditors

The directors are responsible for preparing the 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.

Kennedy CLD

**Harrisaccounts LLP
Chartered Accountants and
Registered Auditors**

26 June 2008

**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 2007**

		Continuing operations	
		2007	2006
	Notes	£	£
Gross profit		4,232,640	3 676 287
Distribution costs		(523,932)	(987,391)
Administrative expenses		(3,832 198)	(2,797,279)
Operating loss	2	<u>(123 490)</u>	<u>(108,383)</u>
Other interest receivable and similar income	3	<u>222,659</u>	<u>149,338</u>
Profit on ordinary activities before taxation		99,169	40,955
Tax on profit on ordinary activities	6	<u>(117,077)</u>	<u>(8,811)</u>
(Loss)/profit on ordinary activities after taxation		<u>(17,908)</u>	<u>32,144</u>
(Loss)/profit for the year	14	<u>(17,908)</u>	<u>32,144</u>

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

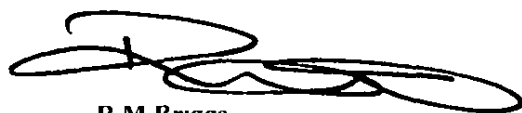
Kennedy Travel (Yorkshire) Limited

**Abbreviated balance sheet
as at 31 December 2007**

		2007		2006	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	7		213,231		232,615
Tangible assets	8		1,367,689		1,382,550
			<u>1,580,920</u>		<u>1,615,165</u>
Current assets					
Debtors	9	1,425,524		961,588	
Cash at bank and in hand		3,422,270		2,451,356	
		<u>4,847,794</u>		<u>3,412,944</u>	
Creditors: amounts falling due within one year	10	(4,340,752)		(2,931,711)	
Net current assets			<u>507,042</u>		<u>481,233</u>
Total assets less current liabilities			2,087,962		2,096,398
Provisions for liabilities	11		(41,460)		(31,988)
Net assets			<u>2,046,502</u>		<u>2,064,410</u>
Capital and reserves					
Called up share capital	13		75,000		75,000
Profit and loss account	14		1,971,502		1,989,410
Equity shareholders' funds	15		<u>2,046,502</u>		<u>2,064,410</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 23 June 2008 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 2007**

	Notes	2007 £	2006 £
Reconciliation of operating loss to net cash inflow from operating activities			
Operating loss		(123,490)	(108,383)
Depreciation		93,009	43,132
(Increase) in debtors		(463,936)	397,778
Increase in creditors		1,312,927	(301,983)
Net cash inflow from operating activities		<u>818,510</u>	<u>30,544</u>
Cash flow statement			
Net cash inflow from operating activities		818,510	30,544
Returns on investments and servicing of finance	18	222,659	149,338
Taxation	18	(11,491)	(37,884)
Capital expenditure	18	(58,764)	147,735
		<u>970,914</u>	<u>289,733</u>
Equity dividends paid		-	(43,000)
Increase in cash in the year		<u>970,914</u>	<u>246,733</u>
Reconciliation of net cash flow to movement in net funds (Note 19)			
Increase in cash in the year		970,914	246,733
Net funds at 1 January 2007		2,451,356	2,204,623
Net funds at 31 December 2007		<u>3,422,270</u>	<u>2,451,356</u>

Kennedy Travel (Yorkshire) Limited

Notes to the abbreviated financial statements for the year ended 31 December 2007

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.

1.7. Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to materialise.

Kennedy Travel (Yorkshire) Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2007**

continued

2. Operating loss	2007	2006
	£	£
Operating loss is stated after charging		
Depreciation and other amounts written off intangible assets	19,384	(36,211)
Depreciation and other amounts written off tangible assets	73,625	79,343
Operating lease rentals		
- Motor vehicles	20,217	10,779
Auditors' remuneration	23,650	20,750
	<u>222,659</u>	<u>149,338</u>
3. Interest receivable and similar income	2007	2006
	£	£
Bank interest	222,659	149,338
	<u>222,659</u>	<u>149,338</u>
4. Employees		
Number of employees	2007	2006
The average monthly numbers of employees (including the directors) during the year were		
Administration staff	78	70
	<u>78</u>	<u>70</u>
Employment costs	2007	2006
	£	£
Wages and salaries	2,363,708	1,877,200
Social security costs	240,755	190,438
Pension costs-other operating charge	115,893	123,075
	<u>2,720,356</u>	<u>2,190,713</u>

Kennedy Travel (Yorkshire) Limited

Notes to the abbreviated financial statements for the year ended 31 December 2007

continued

4.1. Directors' emoluments	2007	2006
	£	£
Remuneration and other emoluments	817,500	401,000
Pension contributions	50,000	50,000
	<u>867,500</u>	<u>451,000</u>
	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	<u>2</u>	<u>2</u>
Highest paid director	£	£
Amounts included above		
Emoluments and other benefits	300,500	201,000
Pension contributions	25,000	25,000
	<u>325,500</u>	<u>226,000</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 £115,893 (2006 - £123,075)

Kennedy Travel (Yorkshire) Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2007**

continued

6. Tax on profit on ordinary activities

Analysis of charge in period	2007	2006
	£	£
Current tax		
UK corporation tax	107,605	11,491
Total current tax charge	<u>107,605</u>	<u>11,491</u>
Deferred tax		
Timing differences, origination and reversal	9,472	(2,680)
Total deferred tax	<u>9,472</u>	<u>(2,680)</u>
Tax on profit on ordinary activities	<u>117,077</u>	<u>8,811</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 (30 per cent). The differences are explained below:

	2007	2006
	£	£
Profit on ordinary activities before taxation	<u>99,160</u>	<u>40,955</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (31 December 2006: 30%)	29,751	12,287
Effects of:		
Expenses not deductible for tax purposes	90,416	2,220
Depreciation for period in excess of capital allowances	14,375	3,638
Marginal relief adjustment	(26,937)	(6,654)
Current tax charge for period	<u>107,605</u>	<u>11,491</u>

Kennedy Travel (Yorkshire) Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2007**

continued

7. Intangible fixed assets

	Goodwill £	Total £
Cost		
At 1 January 2007	387,686	387,686
At 31 December 2007	<u>387,686</u>	<u>387,686</u>
Provision for diminution in value		
At 1 January 2007	155,071	155,071
Charge for year	19,384	19,384
At 31 December 2007	<u>174,455</u>	<u>174,455</u>
Net book values		
At 31 December 2007	<u>213,231</u>	<u>213,231</u>
At 31 December 2006	<u>232,615</u>	<u>232,615</u>

8. Tangible fixed assets

	Land and buildings freehold £	Short leasehold property £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2007	1,284,496	97,097	1,076,019	34,080	2,491,692
Additions	-	-	58,764	-	58,764
At 31 December 2007	<u>1,284,496</u>	<u>97,097</u>	<u>1,134,783</u>	<u>34,080</u>	<u>2,550,456</u>
Depreciation					
At 1 January 2007	205,520	48,234	822,322	33,066	1,109,142
Charge for the year	25,690	7,232	40,449	254	73,625
At 31 December 2007	<u>231,210</u>	<u>55,466</u>	<u>862,771</u>	<u>33,320</u>	<u>1,182,767</u>
Net book values					
At 31 December 2007	<u>1,053,286</u>	<u>41,631</u>	<u>272,012</u>	<u>760</u>	<u>1,367,689</u>
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>

Kennedy Travel (Yorkshire) Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2007**

continued

9. Debtors	2007	2006
	£	£
Trade debtors	754,094	611,272
Other debtors	452,546	174,000
Prepayments and accrued income	218,884	176,316
	<u>1,425,524</u>	<u>961,588</u>
 10. Creditors: amounts falling due within one year	 2007	 2006
	£	£
Trade creditors	2,799,184	2,282,143
Corporation tax	107,605	11,491
Other taxes and social security costs	62,240	236,268
Directors' accounts	-	77,933
Other creditors	331,470	20,458
Accruals and deferred income	1,040,253	303,418
	<u>4,340,752</u>	<u>2,931,711</u>
 11. Provisions for liabilities	 Deferred taxation (Note 12)	 Total
	£	£
At 1 January 2007	31,988	31,988
Movements in the year	9,472	9,472
At 31 December 2007	<u>41,460</u>	<u>41,460</u>

Kennedy Travel (Yorkshire) Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2007**

continued

12. Provision for deferred taxation	2007	2006
	£	£
Accelerated capital allowances	41,460	31,988
Provision for deferred tax	<u>41,460</u>	<u>31,988</u>
Provision at 1 January 2007	31,988	
Deferred tax charge in profit and loss account	<u>9,472</u>	
Provision at 31 December 2007	<u>41,460</u>	
13. Share capital	2007	2006
	£	£
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 2007	1,989,410	1,989 410
(Loss)/profit for the year	<u>(17,908)</u>	<u>(17,908)</u>
At 31 December 2007	<u>1,971,502</u>	<u>1,971,502</u>

Kennedy Travel (Yorkshire) Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2007**

continued

15. Reconciliation of movements in shareholders' funds	2007	2006
	£	£
(Loss)/profit for the year	(17,908)	32,144
Dividends	-	(43,000)
	<u>(17,908)</u>	<u>(10,856)</u>
Opening shareholders' funds	2,064,410	2,075,266
Closing shareholders' funds	<u>2,046,502</u>	<u>2,064,410</u>

16. Financial commitments

At 31 December 2007 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2007	2006
	£	£
Expiry date:		
Within one year	22,000	-
Between one and five years	-	175,000
in over five years	268,425	116,811
	<u>290,425</u>	<u>291,811</u>

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
	2007	2006	in year
	£	£	£
E Button	301,387	-	301,387
R M Briggs	25	-	25
S P Roberts	41,111	-	41,111
	<u>342,523</u>	<u>0</u>	<u>342,523</u>

Following the death of Mr E Button on the 10 May 2008, the directors have subsequently written off the outstanding balance on his director's loan. Accordingly full provision has been made against his loan at 31 December 2007, which is included in other creditors (note 12)

Kennedy Travel (Yorkshire) Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2007**

continued

18. Gross cash flows

	2007	2006
	£	£
Returns on investments and servicing of finance		
Interest received	222,659	149,338
	<u>222,659</u>	<u>149,338</u>
Taxation		
Corporation tax paid	(11,491)	(37,884)
	<u>(11,491)</u>	<u>(37,884)</u>
Capital expenditure		
Payments to acquire tangible assets	(58,764)	(11,109)
Receipts from sales of intangible assets	-	158,844
	<u>(58,764)</u>	<u>147,735</u>

19. Analysis of changes in net funds

	Opening balance	Cash flows	Closing balance
	£	£	£
Cash at bank and in hand	2,451,356	970,914	3,422,270
	<u>2,451,356</u>	<u>970,914</u>	<u>3,422,270</u>
Net funds	<u>2,451,356</u>	<u>970,914</u>	<u>3,422,270</u>