

Registration number 01325708

Kennedy Travel (Yorkshire) Limited
Directors' report and financial statements
for the year ended 31 December 2009

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Kennedy Travel (Yorkshire) Limited

Company information

Directors	S P Roberts R M Briggs
Secretary	S P Roberts
Company number	01325708
Registered office	The Kennedy Building Victoria Road Leeds LS11 5AF
Auditors	Harrisaccounts LLP Marland House 13 Huddersfield Road Barnsley South Yorkshire S70 2LW
Business address	The Kennedy Building Victoria Road Leeds LS11 5AF

Kennedy Travel (Yorkshire) Limited

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Kennedy Travel (Yorkshire) Limited

Directors' report for the year ended 31 December 2009

The directors present their report and the financial statements for the year ended 31 December 2009

Principal activity and review of the business

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

Business review

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.

Due to the difficult economic conditions during the year, turnover decreased by 28.0% although the gross margin percentage has increased by 1.6%. After administrative expenses, other operating income and interest, profit before tax for the year was £181,047 (2008: £202,761). The profit for the year after tax amounted to £131,009 (2008: £155,124). Particulars of dividends paid and proposed are detailed in the notes to the financial statements.

As for many businesses of our size, the business environment in which we are operating remains 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 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 rate risk, which it manages by keeping under review the need for forward contracts to purchase dollars.

Interest rate cashflow risk

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

Liquidity risk

The company actively maintains cash, bank and overdraft balances to ensure the company has sufficient funds for operations and any planned expansion.

Price risk

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

Kennedy Travel (Yorkshire) Limited

**Directors' report
for the year ended 31 December 2009**

continued

Credit risk

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

Directors

The directors who served during the year are as stated below

S P Roberts

R M Briggs

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- 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

Auditors

Harrisaccounts LLP are deemed to be reappointed in accordance with Section 487(2) of the Companies Act 2006

Kennedy Travel (Yorkshire) Limited

**Directors' report
for the year ended 31 December 2009**

continued

This report was approved by the Board on 21 June 2010 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'S P Roberts', written in a cursive style.

**S P Roberts
Secretary**

**Independent auditor's report to the shareholders of
Kennedy Travel (Yorkshire) Limited**

We have audited the financial statements of Kennedy Travel (Yorkshire) Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Reconciliation of Movements in Shareholders' Funds and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. 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

As explained more fully in the Directors' Responsibilities Statement set out on page 1 - 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006.

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent auditor's report to the shareholders of
Kennedy Travel (Yorkshire) Limited**

continued

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Harrisaccounts LLP

P Hinchliffe (Senior Statutory Auditor)
For and on behalf of Harrisaccounts LLP
Chartered Accountants and
Statutory Auditor

23 June 2010

Marland House
13 Huddersfield Road
Barnsley
South Yorkshire
S70 2LW

Kennedy Travel (Yorkshire) Limited

**Profit and loss account
for the year ended 31 December 2009**

		Continuing operations	
		2009	2008
	Notes	£	£
Turnover	2	19,831,135	27,556,826
Cost of sales		(16,807,172)	(23,805,937)
Gross profit		<u>3,023,963</u>	<u>3,750,889</u>
Distribution costs		(474,606)	(735,186)
Administrative expenses		(2,410,000)	(3,065,077)
Other operating income		36	330
Operating profit/(loss)	3	<u>139,393</u>	<u>(49,044)</u>
Other interest receivable and similar income	5	<u>41,654</u>	<u>251,805</u>
Profit on ordinary activities before taxation		181,047	202,761
Tax on profit on ordinary activities	8	<u>(50,038)</u>	<u>(47,637)</u>
Profit for the year	17	<u><u>131,009</u></u>	<u><u>155,124</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 9 to 19 form an integral part of these financial statements.

Kennedy Travel (Yorkshire) Limited

**Balance sheet
as at 31 December 2009**

		2009		2008	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	10		174,463		193,847
Tangible assets	11		1,247,302		1,299,023
			<u>1,421,765</u>		<u>1,492,870</u>
Current assets					
Debtors	12	1,059,577		1,293,112	
Cash at bank and in hand		2,043,084		2,970,129	
		<u>3,102,661</u>		<u>4,263,241</u>	
Creditors: amounts falling due within one year	13	(2,369,963)		(3,521,720)	
Net current assets			<u>732,698</u>		<u>741,521</u>
Total assets less current liabilities			2,154,463		2,234,391
Provisions for liabilities	14		<u>(31,904)</u>		<u>(32,765)</u>
Net assets			<u>2,122,559</u>		<u>2,201,626</u>
Capital and reserves					
Called up share capital	16		75,000		75,000
Profit and loss account	17		2,047,559		2,126,626
Shareholders' funds	18		<u>2,122,559</u>		<u>2,201,626</u>

The financial statements were approved by the Board on 21 June 2010 and signed on its behalf by



R M Briggs
Director

Registration number 01325708

The notes on pages 9 to 19 form an integral part of these financial statements.

Kennedy Travel (Yorkshire) Limited

**Cash flow statement
for the year ended 31 December 2009**

	Notes	2009 £	2008 £
Reconciliation of operating profit/(loss) to net cash outflow from operating activities			
Operating profit/(loss)		139,393	(49,044)
Depreciation		86,718	93,611
Decrease in debtors		233,535	132,412
(Decrease) in creditors		(712,710)	(1,208,629)
Net cash outflow from operating activities		<u>(253,064)</u>	<u>(1,031,650)</u>
Cash flow statement			
Net cash outflow from operating activities		(253,064)	(1,031,650)
Returns on investments and servicing of finance	23	41,654	251,805
Taxation	23	(56,332)	(107,605)
Capital expenditure	23	(15,613)	(5,561)
		(283,355)	(893,011)
Equity dividends paid		(210,076)	-
Decrease in cash in the year		<u>(493,431)</u>	<u>(893,011)</u>
Reconciliation of net cash flow to movement in net debt (Note 24)			
Decrease in cash in the year		(493,431)	(893,011)
Net funds at 1 January 2009		<u>2,529,259</u>	<u>3,422,270</u>
Net funds at 31 December 2009		<u><u>2,035,828</u></u>	<u><u>2,529,259</u></u>

Kennedy Travel (Yorkshire) Limited

Notes to the financial statements for the year ended 31 December 2009

1. Accounting policies

1.1. Accounting convention

The financial statements 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 financial statements for the year ended 31 December 2009

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

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. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK

3. Operating profit/(loss)

	2009	2008
	£	£
Operating profit/(loss) is stated after charging		
Depreciation and other amounts written off intangible assets	19,384	19,384
Depreciation and other amounts written off tangible assets	67,334	74,227
Operating lease rentals		
- Motor vehicles	7,989	8,107
Auditors' remuneration (Note 4)	20,843	25,087

Kennedy Travel (Yorkshire) Limited

**Notes to the financial statements
for the year ended 31 December 2009**

continued

4 Auditors' remuneration

	2009	2008
	£	£
Auditors' remuneration - audit of the financial statements	<u>17 000</u>	<u>18 000</u>
Auditors' remuneration - other fees		
- taxation services	1,000	2,000
- other	<u>2,843</u>	<u>5,087</u>
	<u>3,843</u>	<u>7,087</u>

5 Interest receivable and similar income

	2009	2008
	£	£
Bank interest	<u>41,654</u>	<u>251,805</u>

6. Employees

Number of employees	2009	2008
The average monthly numbers of employees (including the directors) during the year were		
Administration staff	<u>72</u>	<u>80</u>
Employment costs	2009	2008
	£	£
Wages and salaries	1,544,127	1,980,796
Social security costs	153,130	202,685
Pension costs-other operating charge	<u>8,940</u>	<u>141,574</u>
	<u>1,706,197</u>	<u>2,325,055</u>

Kennedy Travel (Yorkshire) Limited

**Notes to the financial statements
for the year ended 31 December 2009**

continued

6.1. Directors' remuneration	2009	2008
	£	£
Remuneration and other emoluments	195,224	498,401
Pension contributions	-	60,000
	<u>195,224</u>	<u>558,401</u>
	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	<u>2</u>	<u>2</u>

7. 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 £8,940 (2008 - £141,574).

Kennedy Travel (Yorkshire) Limited

Notes to the financial statements for the year ended 31 December 2009

continued

8. Tax on profit on ordinary activities

Analysis of charge in period	2009 £	2008 £
Current tax		
UK corporation tax	50,899	56,332
Total current tax charge	<u>50,899</u>	<u>56,332</u>
Deferred tax		
Timing differences, origination and reversal	(861)	(8,695)
Total deferred tax	<u>(861)</u>	<u>(8,695)</u>
Tax on profit on ordinary activities	<u>50,038</u>	<u>47,637</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 (21.00 per cent). The differences are explained below

	2009 £	2008 £
Profit on ordinary activities before taxation	<u>181,047</u>	<u>202,761</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.00% (31 December 2008: 21.00%)	38,020	42,580
Effects of:		
Expenses not deductible for tax purposes	1,335	-
Depreciation for period in excess of capital allowances	11,544	14,427
Corporation tax rate change in year	-	(675)
Current tax charge for period	<u>50,899</u>	<u>56,332</u>

9. Dividends

Dividends paid and proposed on equity shares

	2009 £	2008 £
Paid during the year		
Equity dividends on Ordinary shares	210,076	-
	<u>210,076</u>	<u>-</u>

Kennedy Travel (Yorkshire) Limited

**Notes to the financial statements
for the year ended 31 December 2009**

continued

10. Intangible fixed assets

	Goodwill £	Total £
Cost		
At 1 January 2009	387,686	387,686
At 31 December 2009	<u>387,686</u>	<u>387,686</u>
Amortisation		
At 1 January 2009	193,839	193,839
Charge for year	19,384	19,384
At 31 December 2009	<u>213,223</u>	<u>213,223</u>
Net book values		
At 31 December 2009	<u>174,463</u>	<u>174,463</u>
At 31 December 2008	<u>193,847</u>	<u>193,847</u>

11. Tangible fixed assets	Land and buildings freehold £	Short leasehold property £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2009	1,284,496	97,097	1,140,344	34,080	2,556,017
Additions	-	-	15,613	-	15,613
At 31 December 2009	<u>1,284,496</u>	<u>97,097</u>	<u>1,155,957</u>	<u>34,080</u>	<u>2,571,630</u>
Depreciation					
At 1 January 2009	256,900	62,367	904,217	33,510	1,256,994
Charge for the year	25,690	5,789	35,712	143	67,334
At 31 December 2009	<u>282,590</u>	<u>68,156</u>	<u>939,929</u>	<u>33,653</u>	<u>1,324,328</u>
Net book values					
At 31 December 2009	<u>1,001,906</u>	<u>28,941</u>	<u>216,028</u>	<u>427</u>	<u>1,247,302</u>
At 31 December 2008	<u>1,027,596</u>	<u>34,730</u>	<u>236,127</u>	<u>570</u>	<u>1,299,023</u>

Kennedy Travel (Yorkshire) Limited

**Notes to the financial statements
for the year ended 31 December 2009**

continued

12. Debtors	2009	2008
	£	£
Trade debtors	708,180	598,295
Other debtors	84,306	165,002
Prepayments and accrued income	267,091	529,815
	<u>1,059,577</u>	<u>1,293,112</u>
13. Creditors: amounts falling due within one year	2009	2008
	£	£
Bank overdraft	7,256	440,870
Trade creditors	2,137,775	2,614,997
Corporation tax	50,899	56,332
Other taxes and social security costs	60,772	50,868
Directors' accounts	1,669	1,111
Other creditors	30,286	30,292
Accruals and deferred income	81,306	327,250
	<u>2,369,963</u>	<u>3,521,720</u>
14. Provisions for liabilities	Deferred taxation (Note 15)	Total
	£	£
At 1 January 2009	32,765	32,765
Movements in the year	861	861
At 31 December 2009	<u>31,904</u>	<u>31,904</u>

Kennedy Travel (Yorkshire) Limited

**Notes to the financial statements
for the year ended 31 December 2009**

continued

15. Provision for deferred taxation	2009	2008
	£	£
Accelerated capital allowances	31,904	32,765
Provision for deferred tax	31,904	32,765
	<u> </u>	<u> </u>
Provision at 1 January 2009	32,765	
Deferred tax credit in profit and loss account	(861)	
	<u> </u>	
Provision at 31 December 2009	31,904	
	<u> </u>	
16. Share capital	2009	2008
	£	£
Allotted, called up and fully paid		
75,000 Ordinary shares of £1 each	75,000	75,000
	<u> </u>	<u> </u>
Equity Shares		
75,000 Ordinary shares of £1 each	75,000	75,000
	<u> </u>	<u> </u>
17. Equity Reserves	Profit and loss account	Total
	£	£
At 1 January 2009	2,126,626	2,126,626
Profit for the year	131,009	131,009
Equity Dividends	(210,076)	(210,076)
	<u> </u>	<u> </u>
At 31 December 2009	2,047,559	2,047,559
	<u> </u>	<u> </u>

Kennedy Travel (Yorkshire) Limited

**Notes to the financial statements
for the year ended 31 December 2009**

continued

18. Reconciliation of movements in shareholders' funds	2009	2008
	£	£
Profit for the year	131,009	155 124
Dividends	(210,076)	-
	<u>(79,067)</u>	<u>155 124</u>
Opening shareholders' funds	2,201,626	2,046,502
Closing shareholders' funds	<u>2,122,559</u>	<u>2,201,626</u>

19. Financial commitments

At 31 December 2009 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2009	2008
	£	£
Expiry date:		
Within one year	-	7,000
Between one and five years	64,500	-
In over five years	214,900	280,075
	<u>279,400</u>	<u>287,075</u>

Kennedy Travel (Yorkshire) Limited

**Notes to the financial statements
for the year ended 31 December 2009**

continued

20. Transactions with directors

Advances to directors

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

	Amount owing		Maximum in year
	2009	2008	
	£	£	£
S P Roberts	410	30,408	30,408

	2009	2008
	£	£
Dividends to directors		
S P Roberts	59,894	-
R M Briggs	59,894	-

21. Controlling interest

The Trustees of E Button (Deceased) Estate controlled the company at 31 December 2009 by virtue of a controlling interest of 74% of the issued share capital. Subsequent to the year-end, this controlling interest was transferred to Mrs C Button in accordance with the terms of Mr E Button's will.

22. Post balance sheet events

In March 2010 the company declared a dividend of £600,000 which will be incorporated in the financial statements for the year ended 31 December 2010.

Kennedy Travel (Yorkshire) Limited

**Notes to the financial statements
for the year ended 31 December 2009**

continued

23. Gross cash flows

	2009	2008
	£	£
Returns on investments and servicing of finance		
Interest received	<u>41,654</u>	<u>251,805</u>
Taxation		
Corporation tax paid	<u>(56,332)</u>	<u>(107,605)</u>
Capital expenditure		
Payments to acquire tangible assets	<u>(15,613)</u>	<u>(5,561)</u>

24. Analysis of changes in net funds

	Opening balance	Cash flows	Closing balance
	£	£	£
Cash at bank and in hand	2,970,129	(927,045)	2,043,084
Overdrafts	<u>(440,870)</u>	<u>433,614</u>	<u>(7,256)</u>
	<u>2,529,259</u>	<u>(493,431)</u>	<u>2,035,828</u>
Net funds	<u>2,529,259</u>	<u>(493,431)</u>	<u>2,035,828</u>