

**Kennedy Travel (Yorkshire) Limited**  
**Financial statements**  
**31 December 2010**

WEDNESDAY



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COMPANIES HOUSE

**HARRISACCOUNTS LLP**  
Chartered Accountants & Statutory Auditor  
Marland House  
13 Huddersfield Road  
Barnsley  
South Yorkshire  
S70 2LW

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# **Kennedy Travel (Yorkshire) Limited**

## **Financial statements**

**YEAR ENDED 31 DECEMBER 2010**

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## **Kennedy Travel (Yorkshire) Limited**

### **Officers and professional advisers**

**The board of directors**

S P Roberts  
R M Briggs

**Company secretary**

S P Roberts

**Registered office**

The Kennedy Building  
Victoria Road  
Leeds  
LS11 5AF

**Auditor**

Harrisaccounts LLP  
Chartered Accountants  
& Statutory Auditor  
Marland House  
13 Huddersfield Road  
Barnsley  
South Yorkshire  
S70 2LW

# **Kennedy Travel (Yorkshire) Limited**

## **The directors' report**

### **YEAR ENDED 31 DECEMBER 2010**

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2010

#### **Principal activities and business review**

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

The company showed a much improved performance during the year with an increase in turnover of 9.2%. After administrative expenses, other operating income and interest, profit before tax for the year was £522,551 (2009 £181,049). The profit for the year after tax amounted to £363,776 (2009 £131,011).

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.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £363,776. Particulars of dividends paid are detailed in note 8 to the financial statements.

# Kennedy Travel (Yorkshire) Limited

## The directors' report *(continued)*

### YEAR ENDED 31 DECEMBER 2010

#### **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 risks 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.

#### **Credit risk**

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

#### **Directors**

The directors who served the company during the year were as follows:

S P Roberts  
R M Briggs

#### **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 period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,

## Kennedy Travel (Yorkshire) Limited

### The directors' report *(continued)*

#### YEAR ENDED 31 DECEMBER 2010

- 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 of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

#### Auditor

Harrisaccounts LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Signed by order of the directors



S P Roberts  
Company Secretary

Approved by the directors on 24 June 2011

# **Kennedy Travel (Yorkshire) Limited**

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

**YEAR ENDED 31 DECEMBER 2010**

We have audited the financial statements of Kennedy Travel (Yorkshire) Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement 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 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 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 auditor**

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 to 4, 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 and express an opinion on 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 directors, and the overall presentation of the financial statements.

### **Opinion on 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 2010 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 matters 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.

## Kennedy Travel (Yorkshire) Limited

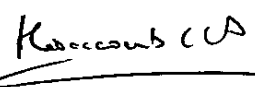
### Independent auditor's report to the shareholders of Kennedy Travel (Yorkshire) Limited *(continued)*

YEAR ENDED 31 DECEMBER 2010

#### 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

  
PAUL HINCHLIFFE BA FCA (Senior Statutory Auditor)  
For and on behalf of  
HARRISACCOUNTS LLP  
Chartered Accountants & Statutory Auditor

Marland House  
13 Huddersfield Road  
Barnsley  
South Yorkshire  
S70 2LW

30 June 2011

# Kennedy Travel (Yorkshire) Limited

## Profit and loss account

YEAR ENDED 31 DECEMBER 2010

|                                                      | Note | 2010<br>£        | 2009<br>£        |
|------------------------------------------------------|------|------------------|------------------|
| <b>Turnover</b>                                      | 2    | 21,664,137       | 19,831,136       |
| Cost of sales                                        |      | (18,349,394)     | (16,807,172)     |
| <b>Gross profit</b>                                  |      | <u>3,314,743</u> | <u>3,023,964</u> |
| Distribution costs                                   |      | (337,696)        | (474,606)        |
| Administrative expenses                              |      | (2,501,245)      | (2,409,999)      |
| Other operating income                               | 3    | 26,000           | 36               |
| <b>Operating profit</b>                              | 4    | <u>501,802</u>   | <u>139,395</u>   |
| Interest receivable                                  |      | 20,749           | 41,654           |
| <b>Profit on ordinary activities before taxation</b> |      | <u>522,551</u>   | <u>181,049</u>   |
| Tax on profit on ordinary activities                 | 7    | (158,775)        | (50,038)         |
| <b>Profit for the financial year</b>                 |      | <u>363,776</u>   | <u>131,011</u>   |

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 10 to 19 form part of these financial statements

# Kennedy Travel (Yorkshire) Limited

## Balance sheet

31 DECEMBER 2010

|                                                       | Note | £                  | 2010<br>£        | £                  | 2009<br>£        |
|-------------------------------------------------------|------|--------------------|------------------|--------------------|------------------|
| <b>Fixed assets</b>                                   |      |                    |                  |                    |                  |
| Intangible assets                                     | 9    |                    | 155,079          |                    | 174,463          |
| Tangible assets                                       | 10   |                    | <u>1,209,160</u> |                    | <u>1,247,302</u> |
|                                                       |      |                    | <u>1,364,239</u> |                    | <u>1,421,765</u> |
| <b>Current assets</b>                                 |      |                    |                  |                    |                  |
| Debtors                                               | 11   | 878,919            |                  | 1,059,577          |                  |
| Cash at bank and in hand                              |      | <u>2,174,119</u>   |                  | <u>2,043,084</u>   |                  |
|                                                       |      |                    | <u>3,053,038</u> |                    | <u>3,102,661</u> |
| <b>Creditors: Amounts falling due within one year</b> | 12   | <u>(2,493,342)</u> |                  | <u>(2,369,961)</u> |                  |
| <b>Net current assets</b>                             |      |                    | <u>559,696</u>   |                    | <u>732,700</u>   |
| <b>Total assets less current liabilities</b>          |      |                    | <u>1,923,935</u> |                    | <u>2,154,465</u> |
| <b>Provisions for liabilities</b>                     |      |                    |                  |                    |                  |
| Deferred taxation                                     | 13   |                    | <u>(37,598)</u>  |                    | <u>(31,904)</u>  |
|                                                       |      |                    | <u>1,886,337</u> |                    | <u>2,122,561</u> |
| <b>Capital and reserves</b>                           |      |                    |                  |                    |                  |
| Called-up equity share capital                        | 17   |                    | 75,000           |                    | 75,000           |
| Profit and loss account                               | 18   |                    | <u>1,811,337</u> |                    | <u>2,047,561</u> |
| <b>Shareholders' funds</b>                            | 19   |                    | <u>1,886,337</u> |                    | <u>2,122,561</u> |

These financial statements were approved by the directors and authorised for issue on 24 June 2011, and are signed on their behalf by

R M Briggs  
Director



Company Registration Number 01325708

The notes on pages 10 to 19 form part of these financial statements

# Kennedy Travel (Yorkshire) Limited

## Cash flow statement

YEAR ENDED 31 DECEMBER 2010

|                                                     | Note | £ | 2010<br>£     | £ | 2009<br>£        |
|-----------------------------------------------------|------|---|---------------|---|------------------|
| Net cash inflow/(outflow) from operating activities | 20   |   | 681,004       |   | (253,064)        |
| Returns on investments and servicing of finance     | 20   |   | 20,749        |   | 41,654           |
| Taxation                                            | 20   |   | (50,899)      |   | (56,332)         |
| Capital expenditure and financial investment        | 20   |   | (32,167)      |   | (15,613)         |
| Equity dividends paid                               |      |   | (600,000)     |   | (210,076)        |
| Increase/(decrease) in cash                         | 20   |   | <u>18,687</u> |   | <u>(493,431)</u> |

The notes on pages 10 to 19 form part of these financial statements

# Kennedy Travel (Yorkshire) Limited

## Notes to the financial statements

YEAR ENDED 31 DECEMBER 2010

### 1. Accounting policies

#### (a) Basis of accounting

The financial statements have been prepared under the historical cost convention

The financial statements also comply with the financial reporting standards of the Accounting Standards Board

#### (b) Turnover

Turnover represents the aggregate amount of revenue from inclusive tours, travel agency commission and other services supplied to the 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 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.

#### (c) Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill - Straight line over 20 years

#### (d) Fixed assets

All fixed assets are initially recorded at cost

#### (e) Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

|                     |                                            |
|---------------------|--------------------------------------------|
| Freehold Property   | - Straight line over 50 years              |
| Leasehold Property  | - Straight line over the life of the lease |
| Fixtures & Fittings | - 15% per annum on reducing balance        |
| Motor Vehicles      | - 25% per annum on reducing balance        |

#### (f) Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

#### (g) Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

# Kennedy Travel (Yorkshire) Limited

## Notes to the financial statements

YEAR ENDED 31 DECEMBER 2010

### 1. Accounting policies *(continued)*

#### (h) 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

#### (i) Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Exchange differences arising on the settlement of monetary items and on the retranslation of monetary items are taken to the profit and loss account

### 2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company. An analysis of turnover is given below

|                | 2010<br>£         | 2009<br>£         |
|----------------|-------------------|-------------------|
| United Kingdom | <u>21,664,137</u> | <u>19,831,136</u> |

### 3. Other operating income

|               | 2010<br>£     | 2009<br>£ |
|---------------|---------------|-----------|
| Sundry income | <u>26,000</u> | <u>36</u> |

# Kennedy Travel (Yorkshire) Limited

## Notes to the financial statements

YEAR ENDED 31 DECEMBER 2010

### 4. Operating profit

Operating profit is stated after charging

|                                                            | 2010<br>£    | 2009<br>£    |
|------------------------------------------------------------|--------------|--------------|
| Amortisation of intangible assets                          | 19,384       | 19,384       |
| Depreciation of owned fixed assets                         | 70,309       | 67,334       |
| Operating lease costs                                      |              |              |
| - Other                                                    | 252,220      | 311,306      |
| Auditor's remuneration - audit of the financial statements | 17,000       | 17,000       |
| Auditor's remuneration - other fees                        | 3,815        | 3,843        |
|                                                            | <u>2010</u>  | <u>2009</u>  |
|                                                            | £            | £            |
| Auditor's remuneration - audit of the financial statements | 17,000       | 17,000       |
| Auditor's remuneration - other fees                        |              |              |
| - Taxation services                                        | 1,000        | 1,000        |
| - Other                                                    | 2,815        | 2,843        |
|                                                            | <u>3,815</u> | <u>3,843</u> |

### 5. Particulars of employees

The average number of staff employed by the company during the financial year amounted to

|                      | 2010<br>No | 2009<br>No |
|----------------------|------------|------------|
| Administration staff | 64         | 72         |

The aggregate payroll costs of the above were

|                       | 2010<br>£        | 2009<br>£        |
|-----------------------|------------------|------------------|
| Wages and salaries    | 1,623,068        | 1,544,127        |
| Social security costs | 164,697          | 153,130          |
| Other pension costs   | 60,000           | 8,940            |
|                       | <u>1,847,765</u> | <u>1,706,197</u> |

# Kennedy Travel (Yorkshire) Limited

## Notes to the financial statements

YEAR ENDED 31 DECEMBER 2010

### 6 Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

|                                                                  | 2010<br>£      | 2009<br>£      |
|------------------------------------------------------------------|----------------|----------------|
| Remuneration receivable                                          | 219,220        | 195,224        |
| Value of company pension contributions to money purchase schemes | 40,000         | —              |
|                                                                  | <u>259,220</u> | <u>195,224</u> |

#### Remuneration of highest paid director:

|                                                                  | 2010<br>£      | 2009<br>£      |
|------------------------------------------------------------------|----------------|----------------|
| Total remuneration (excluding pension contributions)             | 114,240        | 101,942        |
| Value of company pension contributions to money purchase schemes | 20,000         | —              |
|                                                                  | <u>134,240</u> | <u>101,942</u> |

The number of directors who accrued benefits under company pension schemes was as follows

|                        | 2010<br>No | 2009<br>No |
|------------------------|------------|------------|
| Money purchase schemes | <u>2</u>   | <u>2</u>   |

### 7. Taxation on ordinary activities

#### (a) Analysis of charge in the year

|                                                          | 2010<br>£      | 2009<br>£     |
|----------------------------------------------------------|----------------|---------------|
| Current tax                                              |                |               |
| In respect of the year                                   |                |               |
| UK Corporation tax based on the results for the year     | 153,081        | 50,899        |
| Total current tax                                        | <u>153,081</u> | <u>50,899</u> |
| Deferred tax                                             |                |               |
| Origination and reversal of timing differences (note 13) |                |               |
| Capital allowances                                       | 5,694          | (861)         |
| Tax on profit on ordinary activities                     | <u>158,775</u> | <u>50,038</u> |

# Kennedy Travel (Yorkshire) Limited

## Notes to the financial statements

YEAR ENDED 31 DECEMBER 2010

### 7. Taxation on ordinary activities *(continued)*

#### (b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28% (2009 - 21%)

|                                                         | 2010<br>£       | 2009<br>£      |
|---------------------------------------------------------|-----------------|----------------|
| Profit on ordinary activities before taxation           | <u>522,551</u>  | <u>181,049</u> |
| Profit on ordinary activities by rate of tax            | 146,314         | 38,020         |
| Expenses not deductible for tax purposes                | 7,110           | 1,335          |
| Depreciation for period in excess of capital allowances | 15,358          | 11,544         |
| Marginal rate relief                                    | <u>(15,701)</u> | <u>-</u>       |
| Total current tax (note 7(a))                           | <u>153,081</u>  | <u>50,899</u>  |

### 8. Dividends

#### Equity dividends

|                            | 2010<br>£      | 2009<br>£      |
|----------------------------|----------------|----------------|
| Paid during the year       |                |                |
| Dividends on equity shares | <u>600,000</u> | <u>210,076</u> |

### 9. Intangible fixed assets

|                                        | Goodwill<br>£  |
|----------------------------------------|----------------|
| Cost                                   |                |
| At 1 January 2010 and 31 December 2010 | <u>387,686</u> |
| Amortisation                           |                |
| At 1 January 2010                      | 213,223        |
| Charge for the year                    | <u>19,384</u>  |
| At 31 December 2010                    | <u>232,607</u> |
| Net book value                         |                |
| At 31 December 2010                    | <u>155,079</u> |
| At 31 December 2009                    | <u>174,463</u> |

# Kennedy Travel (Yorkshire) Limited

## Notes to the financial statements

YEAR ENDED 31 DECEMBER 2010

### 10. Tangible fixed assets

|                            | Freehold<br>Property<br>£ | Leasehold<br>Property<br>£ | Fixtures &<br>Fittings<br>£ | Motor<br>Vehicles<br>£ | Total<br>£       |
|----------------------------|---------------------------|----------------------------|-----------------------------|------------------------|------------------|
| <b>Cost</b>                |                           |                            |                             |                        |                  |
| At 1 January 2010          | 1,284,496                 | 97,097                     | 1,155,957                   | 34,080                 | 2,571,630        |
| Additions                  | —                         | 10,059                     | 22,108                      | —                      | 32,167           |
| Disposals                  | —                         | (19,513)                   | —                           | —                      | (19,513)         |
| <b>At 31 December 2010</b> | <b>1,284,496</b>          | <b>87,643</b>              | <b>1,178,065</b>            | <b>34,080</b>          | <b>2,584,284</b> |
| <b>Depreciation</b>        |                           |                            |                             |                        |                  |
| At 1 January 2010          | 282,590                   | 68,156                     | 939,929                     | 33,653                 | 1,324,328        |
| Charge for the year        | 25,690                    | 5,872                      | 38,641                      | 106                    | 70,309           |
| On disposals               | —                         | (19,513)                   | —                           | —                      | (19,513)         |
| <b>At 31 December 2010</b> | <b>308,280</b>            | <b>54,515</b>              | <b>978,570</b>              | <b>33,759</b>          | <b>1,375,124</b> |
| <b>Net book value</b>      |                           |                            |                             |                        |                  |
| <b>At 31 December 2010</b> | <b>976,216</b>            | <b>33,128</b>              | <b>199,495</b>              | <b>321</b>             | <b>1,209,160</b> |
| At 31 December 2009        | 1,001,906                 | 28,941                     | 216,028                     | 427                    | 1,247,302        |

### 11. Debtors

|                                | 2010<br>£      | 2009<br>£        |
|--------------------------------|----------------|------------------|
| Trade debtors                  | 427,190        | 708,180          |
| Other debtors                  | 138,582        | 83,896           |
| Directors current accounts     | 872            | 410              |
| Prepayments and accrued income | 312,275        | 267,091          |
|                                | <b>878,919</b> | <b>1,059,577</b> |

### 12. Creditors. Amounts falling due within one year

|                              | 2010<br>£        | 2009<br>£        |
|------------------------------|------------------|------------------|
| Overdrafts                   | 119,604          | 7,256            |
| Trade creditors              | 2,087,280        | 2,137,773        |
| Taxation and social security | 201,213          | 111,671          |
| Other creditors              | —                | 30,286           |
| Directors current accounts   | 2,233            | 1,669            |
| Accruals and deferred income | 83,012           | 81,306           |
|                              | <b>2,493,342</b> | <b>2,369,961</b> |

# Kennedy Travel (Yorkshire) Limited

## Notes to the financial statements

YEAR ENDED 31 DECEMBER 2010

### 13. Deferred taxation

The movement in the deferred taxation provision during the year was

|                                                          | 2010<br>£     | 2009<br>£     |
|----------------------------------------------------------|---------------|---------------|
| Provision brought forward                                | 31,904        | 32,765        |
| Profit and loss account movement arising during the year | 5,694         | (861)         |
| Provision carried forward                                | <u>37,598</u> | <u>31,904</u> |

The provision for deferred taxation consists of the tax effect of timing differences in respect of

|                                                                 | 2010<br>£     | 2009<br>£     |
|-----------------------------------------------------------------|---------------|---------------|
| Excess of taxation allowances over depreciation on fixed assets | 37,598        | 31,904        |
|                                                                 | <u>37,598</u> | <u>31,904</u> |

### 14. Commitments under operating leases

At 31 December 2010 the company had annual commitments under non-cancellable operating leases as set out below

|                               | Land and buildings |                |
|-------------------------------|--------------------|----------------|
|                               | 2010<br>£          | 2009<br>£      |
| Operating leases which expire |                    |                |
| Within 2 to 5 years           | 93,650             | 64,500         |
| After more than 5 years       | 156,250            | 214,900        |
|                               | <u>249,900</u>     | <u>279,400</u> |

### 15. Transactions with the directors

The following director had an interest free loan during the year The movement on this loan is as follows

|             | 2010<br>£ | 2009<br>£ | Maximum<br>In Year<br>£ |
|-------------|-----------|-----------|-------------------------|
| S P Roberts | 872       | 410       | 872                     |

# Kennedy Travel (Yorkshire) Limited

## Notes to the financial statements

YEAR ENDED 31 DECEMBER 2010

### 16. Related party transactions

The company is under the control of Mrs C Button

The directors consider the following to be related party transactions

R M Briggs, a director of the company, received dividends of £180,000 (2009 £59,894) during the period,

S P Roberts, a director of the company, received dividends of £180,000 (2009 £59,894) during the period,

Kennedy Leasing Limited, a company in which R M Briggs is a shareholder and C Button is a director, at the balance sheet date owed £41,983 (2009 £64,952) to Kennedy Travel (Yorkshire) Limited. During the year, on normal commercial terms and on an arms length basis, Kennedy Travel (Yorkshire) Limited undertook the following transactions

|           | 2010   | 2009   |
|-----------|--------|--------|
|           | £      | £      |
| Purchases | 22,598 | 22,451 |

### 17 Share capital

Allotted, called up and fully paid:

|                                   | 2010          |               | 2009          |               |
|-----------------------------------|---------------|---------------|---------------|---------------|
|                                   | No            | £             | No            | £             |
| 75,000 Ordinary shares of £1 each | <u>75,000</u> | <u>75,000</u> | <u>75,000</u> | <u>75,000</u> |

### 18. Reserves

|                         | Profit and loss<br>account<br>£ |
|-------------------------|---------------------------------|
| Balance brought forward | 2,047,561                       |
| Profit for the year     | 363,776                         |
| Equity dividends        | (600,000)                       |
| Balance carried forward | <u>1,811,337</u>                |

### 19. Reconciliation of movements in shareholders' funds

|                                      | 2010             | 2009             |
|--------------------------------------|------------------|------------------|
|                                      | £                | £                |
| Profit for the financial year        | 363,776          | 131,011          |
| Equity dividends                     | (600,000)        | (210,076)        |
| Net reduction to shareholders' funds | (236,224)        | (79,065)         |
| Opening shareholders' funds          | <u>2,122,561</u> | <u>2,201,626</u> |
| Closing shareholders' funds          | <u>1,886,337</u> | <u>2,122,561</u> |

# Kennedy Travel (Yorkshire) Limited

## Notes to the financial statements

YEAR ENDED 31 DECEMBER 2010

### 20. Notes to the cash flow statement

#### Reconciliation of operating profit to net cash inflow/(outflow) from operating activities

|                                                     | 2010<br>£      | 2009<br>£        |
|-----------------------------------------------------|----------------|------------------|
| Operating profit                                    | 501,802        | 139,395          |
| Amortisation                                        | 19,384         | 19,384           |
| Depreciation                                        | 70,309         | 67,334           |
| Decrease in debtors                                 | 180,658        | 233,535          |
| Decrease in creditors                               | (91,149)       | (712,712)        |
| Net cash inflow/(outflow) from operating activities | <u>681,004</u> | <u>(253,064)</u> |

#### Returns on investments and servicing of finance

|                                                                      | 2010<br>£     | 2009<br>£     |
|----------------------------------------------------------------------|---------------|---------------|
| Interest received                                                    | <u>20,749</u> | <u>41,654</u> |
| Net cash inflow from returns on investments and servicing of finance | <u>20,749</u> | <u>41,654</u> |

#### Taxation

|          | 2010<br>£       | 2009<br>£       |
|----------|-----------------|-----------------|
| Taxation | <u>(50,899)</u> | <u>(56,332)</u> |

#### Capital expenditure

|                                           | 2010<br>£       | 2009<br>£       |
|-------------------------------------------|-----------------|-----------------|
| Payments to acquire tangible fixed assets | <u>(32,167)</u> | <u>(15,613)</u> |
| Net cash outflow from capital expenditure | <u>(32,167)</u> | <u>(15,613)</u> |

#### Reconciliation of net cash flow to movement in net funds

|                                           | 2010<br>£        | 2009<br>£        |
|-------------------------------------------|------------------|------------------|
| Increase/(Decrease) in cash in the period | <u>18,687</u>    | <u>(493,431)</u> |
| Movement in net funds in the period       | <u>18,687</u>    | <u>(493,431)</u> |
| Net funds at 1 January 2010               | <u>2,035,828</u> | <u>2,529,259</u> |
| Net funds at 31 December 2010             | <u>2,054,515</u> | <u>2,035,828</u> |

# Kennedy Travel (Yorkshire) Limited

## Notes to the financial statements

YEAR ENDED 31 DECEMBER 2010

### 20. Notes to the cash flow statement *(continued)*

#### Analysis of changes in net funds

|                          | At<br>1 Jan 2010<br>£ | Cash flows<br>£ | At<br>31 Dec 2010<br>£ |
|--------------------------|-----------------------|-----------------|------------------------|
| Net cash                 |                       |                 |                        |
| Cash in hand and at bank | 2,043,084             | 131,035         | 2,174,119              |
| Overdrafts               | (7,256)               | (112,348)       | (119,604)              |
| Net funds                | <u>2,035,828</u>      | <u>18,687</u>   | <u>2,054,515</u>       |