

Kennedy Travel (Yorkshire) Limited
Financial statements
31 December 2014

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COMPANIES HOUSE

HARRIS & CO LIMITED
Chartered Accountants & Statutory Auditor
Marland House
13 Huddersfield Road
Barnsley
South Yorkshire
S70 2LW

Kennedy Travel (Yorkshire) Limited

Financial statements

Year ended 31 December 2014

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Kennedy Travel (Yorkshire) Limited

Officers and professional advisers

The board of directors

S P Roberts
R M Briggs
J C Button
C Button

Company secretary

S P Roberts

Registered office

The Kennedy Building
Victoria Road
Leeds
LS11 5AF

Auditor

Harris & Co Limited
Chartered Accountants
& Statutory Auditor
Marland House
13 Huddersfield Road
Barnsley
South Yorkshire
S70 2LW

Kennedy Travel (Yorkshire) Limited

Strategic report

Year ended 31 December 2014

The directors present the company's strategic report for the year ended 31 December 2013.

Business Overview

The principal activities of the company are that of tour operator and travel agent.

Principal Risks and Uncertainties

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 a 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.

Key Performance Indicators

We consider that our key financial performance indicators are those that communicate the financial performance of the company, these being turnover, operating profit, profits before tax and after tax retained profit.

Development and Performance

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.

Whilst turnover decreased by £1,232,084 (5.5%), the gross profit percentage remained at 15.4%. This reflects a downturn in market conditions and an increase in competition within the market. The overheads of the business reduced by £184,330 which resulted in a £10,206 (1.7%) increase in operating profits to £596,381. The profit for the year after tax amounted to £472,743 (2013: £459,975).

Kennedy Travel (Yorkshire) Limited

Strategic report *(continued)*

Year ended 31 December 2014

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.

Signed by order of the directors



S P Roberts
Company Secretary

Approved by the directors on 24 June 2015

Kennedy Travel (Yorkshire) Limited

Directors' report

Year ended 31 December 2014

The directors present their report and the financial statements of the company for the year ended 31 December 2014.

Results and dividends

The profit for the year, after taxation, amounted to £472,743. Particulars of dividends paid are detailed in note 7 to the financial statements.

Directors

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

S P Roberts
R M Briggs
J C Button
C Button

Directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 then apply them consistently;
- make judgements and accounting 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.

Strategic report

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. This includes information that would have been included in the business review and the principal risks and uncertainties.

Kennedy Travel (Yorkshire) Limited

Directors' report *(continued)*

Year ended 31 December 2014

Auditor

Harris & Co Limited are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Signed by order of the directors



S P Roberts
Company Secretary

Approved by the directors on 24 June 2015

Kennedy Travel (Yorkshire) Limited

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

Year ended 31 December 2014

We have audited the financial statements of Kennedy Travel (Yorkshire) Limited for the year ended 31 December 2014 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 page 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 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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2014 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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Kennedy Travel (Yorkshire) Limited

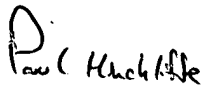
Independent auditor's report to the shareholders of Kennedy Travel (Yorkshire) Limited *(continued)*

Year ended 31 December 2014

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

HARRIS & CO LIMITED

Chartered Accountants & Statutory Auditor

Marland House
13 Huddersfield Road
Barnsley
South Yorkshire
S70 2LW

.....29 June 2015

Kennedy Travel (Yorkshire) Limited

Profit and loss account

Year ended 31 December 2014

	Note	2014 £	2013 £
Turnover	2	21,225,239	22,457,323
Cost of sales		(17,951,419)	(19,009,379)
Gross profit		3,273,820	3,447,944
Distribution costs		(326,940)	(420,736)
Administrative expenses		(2,350,499)	(2,441,033)
Operating profit	3	596,381	586,175
Interest receivable		17,691	12,645
Profit on ordinary activities before taxation		614,072	598,820
Tax on profit on ordinary activities	6	(141,329)	(138,845)
Profit for the financial year		472,743	459,975

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 11 to 20 form part of these financial statements.

Kennedy Travel (Yorkshire) Limited

Balance sheet

31 December 2014

	Note	£	2014 £	2013 £
Fixed assets				
Intangible assets	8		77,542	96,927
Tangible assets	9		<u>1,069,148</u>	<u>1,138,215</u>
			<u>1,146,690</u>	<u>1,235,142</u>
Current assets				
Debtors	10	891,686		967,448
Cash at bank and in hand		<u>1,931,539</u>		<u>1,381,339</u>
		2,823,225		2,348,787
Creditors: Amounts falling due within one year	11	<u>(2,673,180)</u>		<u>(2,155,675)</u>
Net current assets			<u>150,045</u>	<u>193,112</u>
Total assets less current liabilities			<u>1,296,735</u>	<u>1,428,254</u>
Provisions for liabilities				
Deferred taxation	12		(27,621)	(32,915)
			<u>1,269,114</u>	<u>1,395,339</u>
Capital and reserves				
Called-up equity share capital	15		100,000	100,000
Profit and loss account	16		<u>1,169,114</u>	<u>1,295,339</u>
Shareholders' funds	17		<u>1,269,114</u>	<u>1,395,339</u>

These accounts were approved by the directors and authorised for issue on 24 June 2015, and are signed on their behalf by:

R M Briggs
Director



Company Registration Number: 01325708

The notes on pages 11 to 20 form part of these financial statements.

Kennedy Travel (Yorkshire) Limited

Cash flow statement

Year ended 31 December 2014

	Note	£	2014 £	2013 £
Net cash inflow from operating activities	18		1,023,991	735,071
Returns on investments and servicing of finance	18		17,691	12,645
Taxation	18		(137,365)	(159,454)
Capital expenditure and financial investment	18		(7,415)	(82,416)
Equity dividends paid			(598,968)	(441,468)
Increase in cash	18		297,934	64,378

The notes on pages 11 to 20 form part of these financial statements.

Kennedy Travel (Yorkshire) Limited

Notes to the financial statements

Year ended 31 December 2014

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/3 years straight line
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 2014

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.

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:

	2014 £	2013 £
United Kingdom	<u>21,225,239</u>	<u>22,457,323</u>

3. Operating profit

Operating profit is stated after charging/(crediting):

	2014 £	2013 £
Amortisation of intangible assets	19,385	19,384
Depreciation of owned fixed assets	76,740	76,790
Profit on disposal of fixed assets	(258)	—
Operating lease costs:		
- Other	351,816	281,393
Auditor's remuneration - audit of the financial statements	15,750	17,000
Auditor's remuneration - other fees	<u>500</u>	<u>5,750</u>

Kennedy Travel (Yorkshire) Limited

Notes to the financial statements

Year ended 31 December 2014

	2014 £	2013 £
Auditor's remuneration - audit of the financial statements	<u>15,750</u>	<u>17,000</u>
Auditor's remuneration - other fees:		
- Taxation services	500	1,000
- Other	<u>-</u>	<u>4,750</u>
	<u>500</u>	<u>5,750</u>

4. Particulars of employees

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

	2014 No	2013 No
Administration staff	<u>62</u>	<u>63</u>

The aggregate payroll costs of the above were:

	2014 £	2013 £
Wages and salaries	1,400,568	1,440,074
Social security costs	125,201	139,840
Other pension costs	123,901	194,459
	<u>1,649,670</u>	<u>1,774,373</u>

5. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were:

	2014 £	2013 £
Remuneration receivable	50,939	51,629
Value of company pension contributions to money purchase schemes	<u>80,000</u>	<u>150,000</u>
	<u>130,939</u>	<u>201,629</u>

Kennedy Travel (Yorkshire) Limited

Notes to the financial statements

Year ended 31 December 2014

5. Directors' remuneration *(continued)*

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

	2014 No	2013 No
Money purchase schemes	<u>2</u>	<u>3</u>

6. Taxation on ordinary activities

(a) Analysis of charge in the year

	2014 £	2013 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year	<u>146,623</u>	<u>137,365</u>
Total current tax	<u>146,623</u>	<u>137,365</u>
Deferred tax:		
Origination and reversal of timing differences (note 12)		
Capital allowances	<u>(5,294)</u>	<u>1,480</u>
Tax on profit on ordinary activities	<u>141,329</u>	<u>138,845</u>

(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 21% (2013 - 23%).

	2014 £	2013 £
Profit on ordinary activities before taxation	<u>614,072</u>	<u>598,820</u>
Profit on ordinary activities by rate of tax	128,955	137,729
Expenses not deductible for tax purposes	502	415
Depreciation for period in excess of capital allowances	16,734	4,819
Tax chargeable at higher rates	3,433	1,532
Marginal rate relief	<u>(3,001)</u>	<u>(7,130)</u>
Total current tax (note 6(a))	<u>146,623</u>	<u>137,365</u>

Kennedy Travel (Yorkshire) Limited

Notes to the financial statements

Year ended 31 December 2014

7. Dividends

Equity dividends

	2014 £	2013 £
Paid during the year:		
Dividends on equity shares	<u>598,968</u>	<u>441,468</u>

8. Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2014 and 31 December 2014	<u>387,686</u>
Amortisation	
At 1 January 2014	290,759
Charge for the year	<u>19,385</u>
At 31 December 2014	<u>310,144</u>
Net book value	
At 31 December 2014	<u>77,542</u>
At 31 December 2013	<u>96,927</u>

Kennedy Travel (Yorkshire) Limited

Notes to the financial statements

Year ended 31 December 2014

9. Tangible fixed assets

	Freehold Property £	Leasehold Property £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost					
At 1 January 2014	1,287,101	132,029	1,238,060	61,780	2,718,970
Additions	–	7,523	796	–	8,319
Disposals	–	–	(3,674)	–	(3,674)
At 31 December 2014	1,287,101	139,552	1,235,182	61,780	2,723,615
Depreciation					
At 1 January 2014	385,506	83,981	1,066,057	45,211	1,580,755
Charge for the year	25,742	11,358	35,498	4,142	76,740
On disposals	–	–	(3,028)	–	(3,028)
At 31 December 2014	411,248	95,339	1,098,527	49,353	1,654,467
Net book value					
At 31 December 2014	875,853	44,213	136,655	12,427	1,069,148
At 31 December 2013	901,595	48,048	172,003	16,569	1,138,215

10. Debtors

	2014 £	2013 £
Trade debtors	291,305	332,380
VAT recoverable	171,810	174,386
Other debtors	130,333	130,333
Prepayments and accrued income	298,238	330,349
	891,686	967,448

11. Creditors: Amounts falling due within one year

	2014 £	2013 £
Overdrafts	252,266	–
Trade creditors	2,048,457	1,862,628
Taxation and social security	177,006	172,635
Accruals and deferred income	195,451	120,412
	2,673,180	2,155,675

Kennedy Travel (Yorkshire) Limited

Notes to the financial statements

Year ended 31 December 2014

12. Deferred taxation

The movement in the deferred taxation provision during the year was:

	2014 £	2013 £
Provision brought forward	32,915	31,435
Profit and loss account movement arising during the year	(5,294)	1,480
Provision carried forward	<u>27,621</u>	<u>32,915</u>

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

	2014 £	2013 £
Excess of taxation allowances over depreciation on fixed assets	27,621	32,915
	<u>27,621</u>	<u>32,915</u>

13. Commitments under operating leases

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as set out below.

	2014		2013	
	Land and buildings £	Other Items £	Land and buildings £	Other Items £
Operating leases which expire:				
Within 1 year	-	1,089	-	6,565
Within 2 to 5 years	112,500	16,831	73,600	3,266
After more than 5 years	<u>122,600</u>	<u>-</u>	<u>187,500</u>	<u>-</u>
	<u>235,100</u>	<u>17,920</u>	<u>261,100</u>	<u>9,831</u>

14. Related party transactions

The company is under the control of C Button.

The directors of the company received dividends of £598,968 (2013: £441,168) during the period.

During the year J C Button provided services to the company totalling £40,000 (2013: £nil).

Kennedy Travel (Yorkshire) Limited

Notes to the financial statements

Year ended 31 December 2014

15. Share capital

Allotted and called up:

	2014		2013	
	No	£	No	£
Ordinary A shares fully paid of £1 each	74,000	74,000	74,000	74,000
Ordinary B shares fully paid of £1 each	10,000	10,000	10,000	10,000
Ordinary C shares fully paid of £1 each	10,000	10,000	10,000	10,000
Ordinary D shares fully paid of £1 each	6,000	6,000	6,000	6,000
	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

16. Reserves

	Profit and loss account £
Balance brought forward	1,295,339
Profit for the year	472,743
Equity dividends	(598,968)
Balance carried forward	<u>1,169,114</u>

17. Reconciliation of movements in shareholders' funds

	2014 £	2013 £
Profit for the financial year	472,743	459,975
Equity dividends	(598,968)	(441,468)
Net (reduction)/addition to shareholders' funds	(126,225)	18,507
Opening shareholders' funds	<u>1,395,339</u>	<u>1,376,832</u>
Closing shareholders' funds	<u>1,269,114</u>	<u>1,395,339</u>

Kennedy Travel (Yorkshire) Limited

Notes to the financial statements

Year ended 31 December 2014

18. Notes to the cash flow statement

Reconciliation of operating profit to net cash inflow from operating activities

	2014 £	2013 £
Operating profit	596,381	586,175
Amortisation	19,385	19,384
Depreciation	76,740	76,790
Profit on disposal of fixed assets	(258)	—
Decrease/(increase) in debtors	75,762	(91,523)
Increase in creditors	255,981	144,245
Net cash inflow from operating activities	<u>1,023,991</u>	<u>735,071</u>

Returns on investments and servicing of finance

	2014 £	2013 £
Interest received	<u>17,691</u>	<u>12,645</u>
Net cash inflow from returns on investments and servicing of finance	<u>17,691</u>	<u>12,645</u>

Taxation

	2014 £	2013 £
Taxation	<u>(137,365)</u>	<u>(159,454)</u>

Capital expenditure

	2014 £	2013 £
Payments to acquire tangible fixed assets	(8,319)	(82,416)
Receipts from sale of fixed assets	904	—
Net cash outflow from capital expenditure	<u>(7,415)</u>	<u>(82,416)</u>

Reconciliation of net cash flow to movement in net funds

	2014 £	2013 £
Increase in cash in the period	<u>297,934</u>	<u>64,378</u>
Movement in net funds in the period	<u>297,934</u>	<u>64,378</u>
Net funds at 1 January 2014	1,381,339	1,316,961
Net funds at 31 December 2014	<u>1,679,273</u>	<u>1,381,339</u>

Kennedy Travel (Yorkshire) Limited

Notes to the financial statements

Year ended 31 December 2014

18. Notes to the cash flow statement *(continued)*

Analysis of changes in net funds

	At 1 Jan 2014 £	Cash flows £	At 31 Dec 2014 £
Net cash:			
Cash in hand and at bank	1,381,339	550,200	1,931,539
Overdrafts	—	(252,266)	(252,266)
Net funds	<u>1,381,339</u>	<u>297,934</u>	<u>1,679,273</u>