

**Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 December 2018
for
Kennedy Travel (Yorkshire) Limited**



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

Kennedy Travel (Yorkshire) Limited

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Kennedy Travel (Yorkshire) Limited

**Company Information
for the Year Ended 31 December 2018**

DIRECTORS:

Mrs R M Briggs
Mrs C Button
Mrs S P Roberts
Ms J C Button

SECRETARY:

Mrs S P Roberts

REGISTERED OFFICE:

The Kennedy Building
48 Victoria Road
Leeds
West Yorkshire
LS11 5AF

REGISTERED NUMBER:

01325708 (England and Wales)

INDEPENDENT AUDITORS:

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

Kennedy Travel (Yorkshire) Limited

Strategic Report for the Year Ended 31 December 2018

The directors present their strategic report for the year ended 31 December 2018.

REVIEW OF BUSINESS

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.

Turnover increased by £2,453k (15%), and the gross profit percentage increased to 16.1% (2017: 15.1%) which together resulted in a £557k increase in gross profit to £3,037k (2017: £2,480k). The improvement in results in the year reflect the review of the company's future plans performed by the directors in 2017 in which actions were taken to reduce cash outflows and overheads and to refocus marketing resources. Distribution costs and administrative expenses increased by £275k (11.3%) which, taken with the increase in gross profit, resulted in the company recording a profit before tax of £338k (2017: £46k).

As for many businesses of our size and in our sector, the business environment in which we are operating remains challenging, particularly as a result of the weakening of sterling following the Brexit vote. The tour operator and travel agents market in the UK is increasingly competitive and margins continue to be tight. We are also subject to consumer spending patterns, consumers' overall level of disposable income and the impact of macro-economic factors including exchange rate movements.

Despite the difficult trading conditions the directors are confident of a continuation of the 2018 trading performance during 2019 as the benefits of actions taken during 2017 continue to crystallise and the company's forecasts continue to show that the company is a going concern. The directors are aware that any plans for the future development of the business may be subject to unforeseen future events outside of our control, for example ongoing uncertainty around Brexit and US market conditions, including any further changes in US dollar exchange rates.

PRINCIPAL RISKS AND UNCERTAINTIES

The company's operations expose it to a variety of financial risks that include the effects of changes in foreign exchange risk, 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 and loan 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.

Kennedy Travel (Yorkshire) Limited

**Strategic Report
for the Year Ended 31 December 2018**

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.

ON BEHALF OF THE BOARD:



.....
Mrs S P Roberts - Secretary

Date: 17/5/19

Kennedy Travel (Yorkshire) Limited

Report of the Directors for the Year Ended 31 December 2018

The directors present their report with the financial statements of the Company for the year ended 31 December 2018.

PRINCIPAL ACTIVITY

The principal activity of the Company in the year under review was that of a tour operator and travel agent.

DIVIDENDS

The total distribution of dividends for the year ended 31 December 2018 will be £170,000.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2018 to the date of this report.

Mrs R M Briggs
Mrs C Button
Mrs S P Roberts
Ms J C Button

DISCLOSURE IN THE 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.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and each director has taken all the steps that she ought to have taken as a director in order to make herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

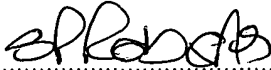
Kennedy Travel (Yorkshire) Limited

**Report of the Directors
for the Year Ended 31 December 2018**

AUDITORS

The auditors, Harris & Co Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
Mrs S P Roberts - Secretary

Date: 17/5/19

**Independent Auditors' Report to the Members of
Kennedy Travel (Yorkshire) Limited**

Opinion

We have audited the financial statements of Kennedy Travel (Yorkshire) Limited (the 'Company') for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Auditors' Report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**Independent Auditors' Report to the Members of
Kennedy Travel (Yorkshire) Limited**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

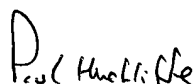
Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.



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

Date: 20 May 2019

Kennedy Travel (Yorkshire) Limited

Statement of Comprehensive Income
for the Year Ended 31 December 2018

	Notes	2018 £	£	2017 £	£
TURNOVER	3		18,783,815		16,330,631
Cost of sales			<u>15,747,031</u>		<u>13,850,942</u>
GROSS PROFIT			3,036,784		2,479,689
Distribution costs		314,563		191,510	
Administrative expenses		<u>2,395,338</u>		<u>2,243,098</u>	
			<u>2,709,901</u>		<u>2,434,608</u>
OPERATING PROFIT	5		326,883		45,081
Interest receivable and similar income			<u>11,211</u>		<u>1,215</u>
PROFIT BEFORE TAXATION			338,094		46,296
Tax on profit	6		<u>67,389</u>		<u>17,778</u>
PROFIT FOR THE FINANCIAL YEAR			270,705		28,518
OTHER COMPREHENSIVE INCOME					
Revaluation			-		61,117
Income tax relating to other comprehensive income			<u>-</u>		<u>-</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX			<u>-</u>		<u>61,117</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			<u>270,705</u>		<u>89,635</u>

The notes form part of these financial statements

Statement of Financial Position
31 December 2018

	Notes	2018		2017	
		£	£	£	£
FIXED ASSETS					
Intangible assets	8		-		19,387
Tangible assets	9		<u>1,435,276</u>		<u>1,449,660</u>
			1,435,276		1,469,047
CURRENT ASSETS					
Debtors	10	743,667		871,951	
Cash at bank and in hand		<u>2,315,830</u>		<u>1,266,682</u>	
			3,059,497		2,138,633
CREDITORS					
Amounts falling due within one year	11	<u>2,487,907</u>		<u>1,656,696</u>	
NET CURRENT ASSETS			<u>571,590</u>		<u>481,937</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,006,866		1,950,984
CREDITORS					
Amounts falling due after more than one year	12		(406,892)		(448,954)
PROVISIONS FOR LIABILITIES	17		<u>(12,604)</u>		<u>(15,365)</u>
NET ASSETS			<u>1,587,370</u>		<u>1,486,665</u>
CAPITAL AND RESERVES					
Called up share capital	18		100,000		100,000
Revaluation reserve	19		536,748		536,748
Retained earnings	19		<u>950,622</u>		<u>849,917</u>
SHAREHOLDERS' FUNDS			<u>1,587,370</u>		<u>1,486,665</u>

The financial statements were approved by the Board of Directors on 17/5/19 and were signed on its behalf by:


 Mrs R M Briggs - Director

Kennedy Travel (Yorkshire) Limited

Statement of Changes in Equity
for the Year Ended 31 December 2018

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 January 2017	100,000	821,399	475,631	1,397,030
Changes in equity				
Total comprehensive income	-	28,518	61,117	89,635
Balance at 31 December 2017	<u>100,000</u>	<u>849,917</u>	<u>536,748</u>	<u>1,486,665</u>
Changes in equity				
Dividends	-	(170,000)	-	(170,000)
Total comprehensive income	-	270,705	-	270,705
Balance at 31 December 2018	<u>100,000</u>	<u>950,622</u>	<u>536,748</u>	<u>1,587,370</u>

The notes form part of these financial statements

Kennedy Travel (Yorkshire) Limited

**Statement of Cash Flows
for the Year Ended 31 December 2018**

	Notes	2018 £	2017 £
Cash flows from operating activities			
Cash generated from operations	1	1,116,317	(59,801)
Tax paid		<u>(21,502)</u>	<u>(13,302)</u>
Net cash from operating activities		<u>1,094,815</u>	<u>(73,103)</u>
 Cash flows from investing activities			
Purchase of tangible fixed assets		(6,862)	(1,625)
Sale of tangible fixed assets		-	1,570
Interest received		<u>11,211</u>	<u>1,215</u>
Net cash from investing activities		<u>4,349</u>	<u>1,160</u>
 Cash flows from financing activities			
New loans in year		-	495,000
Loan repayments in year		(42,060)	(3,542)
Amount introduced by directors		162,044	295,359
Equity dividends paid		<u>(170,000)</u>	<u>-</u>
Net cash from financing activities		<u>(50,016)</u>	<u>786,817</u>
 Increase in cash and cash equivalents		<u>1,049,148</u>	<u>714,874</u>
Cash and cash equivalents at beginning of year	2	<u>1,266,682</u>	<u>551,808</u>
 Cash and cash equivalents at end of year	2	<u><u>2,315,830</u></u>	<u><u>1,266,682</u></u>

The notes form part of these financial statements

Kennedy Travel (Yorkshire) Limited

Notes to the Statement of Cash Flows
for the Year Ended 31 December 2018

1. **RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2018	2017
	£	£
Profit before taxation	338,094	46,296
Depreciation charges	40,631	67,372
Loss on disposal of fixed assets	-	1,984
Finance income	(11,211)	(1,215)
	<u>367,514</u>	<u>114,437</u>
Decrease/(increase) in trade and other debtors	128,284	(47,710)
Increase/(decrease) in trade and other creditors	<u>620,519</u>	<u>(126,528)</u>
Cash generated from operations	<u><u>1,116,317</u></u>	<u><u>(59,801)</u></u>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2018

	31/12/18	1/1/18
	£	£
Cash and cash equivalents	<u><u>2,315,830</u></u>	<u><u>1,266,682</u></u>

Year ended 31 December 2017

	31/12/17	1/1/17
	£	£
Cash and cash equivalents	1,266,682	681,084
Bank overdrafts	-	(129,276)
	<u><u>1,266,682</u></u>	<u><u>551,808</u></u>

The notes form part of these financial statements

Kennedy Travel (Yorkshire) Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

1. STATUTORY INFORMATION

The presentation and functional currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Company information and basis of preparing the financial statements

Kennedy Travel (Yorkshire) Limited is a limited company incorporated in the United Kingdom and the address of the registered office is given in the company information on page 1 of these financial statements. The principal activity of the company was that of a tour operator and travel agent.

These financial statements have been prepared in accordance with Financial Reporting Standard "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS102) and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

The financial statements are presented in sterling (£).

The principal accounting policies and significant judgements and estimates applied in the preparation of these financial statements are set out below. These policies, judgements and estimates have been consistently applied to all years presented unless otherwise stated.

Significant judgements and estimates

No significant judgements or estimates have had to be made by management in preparing these financial statements other than as described in the following accounting policies.

Going Concern

As explained in the Review of Business included in the Strategic Report on page 2, the company experienced difficult trading conditions during 2016, in common with many other businesses in our sector. During 2017 the directors reviewed the company's future plans and took action to reduce cash outflows and overheads and to refocus marketing resources. The benefits of these actions were realised during 2018 in the form of increased profits. Notwithstanding ongoing macro-economic uncertainties (for example the ongoing Brexit negotiations and the dollar exchange rate) the directors are therefore confident of a continued positive trading performance during 2019 as the benefits of actions taken during 2017 continue to crystallise. On this basis, the accounts are prepared on a going concern basis.

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.

Kennedy Travel (Yorkshire) Limited

Notes to the Financial Statements - continued for the Year Ended 31 December 2018

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- not provided
Short leasehold	- at varying rates on cost
Fixtures and fittings	- 33% on cost straight line and 15% on reducing balance
Motor vehicles	- 25% on reducing balance

No depreciation is provided in respect of freehold land & buildings as they are kept in a continual state of good repair and, in the opinion of the directors the residual value at the end of the useful life will not be materially less than the carrying value in the financial statements.

Tangible assets are initially recorded at cost, and subsequently stated at revalued amount or cost less any accumulated depreciation and impairment losses.

Depreciation is provided at the following annual rates in order to write off the cost or revalued amount less estimated residual value of each asset over its estimated useful life.

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Kennedy Travel (Yorkshire) Limited

Notes to the Financial Statements - continued for the Year Ended 31 December 2018

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Operating lease rentals are charged to the Statement of comprehensive income on a straight-line basis over the lease term.

Pension costs and other post-retirement benefits

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in the future payments or a cash refund.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the Company.

An analysis of turnover by geographical market is given below:

	2018 £	2017 £
United Kingdom	<u>18,783,815</u>	<u>16,330,631</u>
	<u>18,783,815</u>	<u>16,330,631</u>

Turnover represents amounts earned on services provided during the year and derives from the provision of services falling within the company's ordinary activities as described in the accounting policies.

4. EMPLOYEES AND DIRECTORS

	2018 £	2017 £
Wages and salaries	1,609,742	1,470,440
Social security costs	150,381	144,327
Other pension costs	<u>37,484</u>	<u>36,039</u>
	<u>1,797,607</u>	<u>1,650,806</u>

The average number of employees during the year was as follows:

	2018	2017
Administration staff	<u>52</u>	<u>57</u>

	2018 £	2017 £
Directors' remuneration	<u>370,303</u>	<u>233,155</u>

Information regarding the highest paid director is as follows:

	2018 £	2017 £
Emoluments etc	<u>116,787</u>	<u>117,688</u>

Kennedy Travel (Yorkshire) Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2018**

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2018 £	2017 £
Other operating leases	250,890	256,538
Depreciation - owned assets	21,246	47,987
Loss on disposal of fixed assets	-	1,984
Goodwill amortisation	19,387	19,385
Auditors' remuneration	19,000	28,500
Exchange rate variance	(535,967)	(381,117)
Operating lease costs - other	<u>248,995</u>	<u>281,017</u>

6. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2018 £	2017 £
Current tax:		
UK corporation tax	70,150	21,508
Deferred tax	<u>(2,761)</u>	<u>(3,730)</u>
Tax on profit	<u>67,389</u>	<u>17,778</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2018 £	2017 £
Profit before tax	<u>338,094</u>	<u>46,296</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19%)	64,238	8,796
Effects of:		
Expenses not deductible for tax purposes	144	357
Depreciation in excess of capital allowances	5,768	12,079
Tax charged at different rates	-	276
Deferred tax	<u>(2,761)</u>	<u>(3,730)</u>
Total tax charge	<u>67,389</u>	<u>17,778</u>

Tax effects relating to effects of other comprehensive income

There were no tax effects for the year ended 31 December 2018.

	Gross £	2017 Tax £	Net £
Revaluation	<u>61,117</u>	<u>-</u>	<u>61,117</u>

Kennedy Travel (Yorkshire) Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

7. DIVIDENDS

	2018 £	2017 £
Ordinary shares of £1 each	170,000	-
	<u>170,000</u>	<u>-</u>

8. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 January 2018	
and 31 December 2018	<u>387,686</u>
AMORTISATION	
At 1 January 2018	368,299
Amortisation for year	<u>19,387</u>
At 31 December 2018	<u>387,686</u>
NET BOOK VALUE	
At 31 December 2018	<u>-</u>
At 31 December 2017	<u>19,387</u>

9. TANGIBLE FIXED ASSETS

	Freehold property £	Short leasehold £	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION					
At 1 January 2018	1,335,000	139,552	1,244,934	47,930	2,767,416
Additions	<u>-</u>	<u>-</u>	<u>6,862</u>	<u>-</u>	<u>6,862</u>
At 31 December 2018	<u>1,335,000</u>	<u>139,552</u>	<u>1,251,796</u>	<u>47,930</u>	<u>2,774,278</u>
DEPRECIATION					
At 1 January 2018	-	112,053	1,160,413	45,290	1,317,756
Charge for year	<u>-</u>	<u>5,513</u>	<u>15,072</u>	<u>661</u>	<u>21,246</u>
At 31 December 2018	<u>-</u>	<u>117,566</u>	<u>1,175,485</u>	<u>45,951</u>	<u>1,339,002</u>
NET BOOK VALUE					
At 31 December 2018	<u>1,335,000</u>	<u>21,986</u>	<u>76,311</u>	<u>1,979</u>	<u>1,435,276</u>
At 31 December 2017	<u>1,335,000</u>	<u>27,499</u>	<u>84,521</u>	<u>2,640</u>	<u>1,449,660</u>

Kennedy Travel (Yorkshire) Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2018**

9. TANGIBLE FIXED ASSETS - continued

Cost or valuation at 31 December 2018 is represented by:

	Freehold property £	Short leasehold £	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2016	12,899	-	-	-	12,899
Valuation in 2017	35,000	-	-	-	35,000
Cost	<u>1,287,101</u>	<u>139,552</u>	<u>1,251,796</u>	<u>47,930</u>	<u>2,726,379</u>
	<u>1,335,000</u>	<u>139,552</u>	<u>1,251,796</u>	<u>47,930</u>	<u>2,774,278</u>

If the freehold property had not been revalued it would have been included at the following historical cost:

	2018 £	2017 £
Cost	<u>1,287,101</u>	<u>1,287,101</u>
Aggregate depreciation	<u>514,216</u>	<u>488,474</u>
Value of land in freehold land and buildings	<u>772,885</u>	<u>798,627</u>

Freehold land and buildings have been included at valuation based on a full professional valuation undertaken by Woodhead Sharps in 2017 on a market value basis.

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade debtors	305,145	426,150
Other debtors	123,938	123,938
VAT	48,614	41,688
Prepayments and accrued income	<u>265,970</u>	<u>280,175</u>
	<u>743,667</u>	<u>871,951</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Bank loans and overdrafts (see note 13)	42,504	42,504
Trade creditors	1,858,262	1,487,845
Corporation tax	70,155	21,507
Social security and other taxes	35,593	26,641
Directors' current accounts	162,044	-
Accruals and deferred income	<u>319,349</u>	<u>78,199</u>
	<u>2,487,907</u>	<u>1,656,696</u>

Kennedy Travel (Yorkshire) Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

12. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2018 £	2017 £
Bank loans (see note 13)	<u>406,892</u>	<u>448,954</u>

13. **LOANS**

An analysis of the maturity of loans is given below:

	2018 £	2017 £
Amounts falling due within one year or on demand:		
Bank loans	<u>42,504</u>	<u>42,504</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>42,504</u>	<u>42,504</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>364,388</u>	<u>406,450</u>

14. **LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2018 £	2017 £
Within one year	248,995	246,306
Between one and five years	381,616	615,496
In more than five years	-	75,000
	<u>630,611</u>	<u>936,802</u>

15. **SECURED DEBTS**

The following secured debts are included within creditors:

	2018 £	2017 £
Bank loans	<u>449,396</u>	<u>491,458</u>

The bank loan is secured by a fixed and floating charge over the land and buildings and other assets of the company. The interest rate on the loan is 2.5% over base rate with loan repayments based on a 10 year term, but with a full repayment or refinancing required after 5 years (ie 2022).

Kennedy Travel (Yorkshire) Limited

Notes to the Financial Statements - continued for the Year Ended 31 December 2018

16. FINANCIAL INSTRUMENTS

The carrying amounts of the company's financial instruments are:

Financial assets

Debt instruments measured at amortised cost £2,744,914 (2017: £1,816,770).

Financial liabilities

Measured at amortised cost £2,627,007 (2017: £2,057,504).

17. PROVISIONS FOR LIABILITIES

	2018 £	2017 £
Deferred tax		
Accelerated capital allowances	<u>12,604</u>	<u>15,365</u>
		Deferred tax £
Balance at 1 January 2018		15,365
Unused amounts reversed during year		<u>(2,761)</u>
Balance at 31 December 2018		<u>12,604</u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2018 £	2017 £
74,000	Ordinary A	£1	74,000	74,000
10,000	Ordinary B	£1	10,000	10,000
10,000	Ordinary C	£1	10,000	10,000
6,000	Ordinary D	£1	<u>6,000</u>	<u>6,000</u>
			<u>100,000</u>	<u>100,000</u>

19. RESERVES

The following reserves are included in the financial statements:

Share capital

This reserve relates to equity that has been obtained by the issue of shares at par value in the company to a shareholder.

Profit and loss account

This reserve records retained earnings and accumulated losses.

Revaluation reserve

This reserve contains the revaluation gains on the freehold property.

20. PENSION COMMITMENTS

During the year, £37,484 (2017: £36,039) has been recognised in the profit and loss account as an expense for defined contribution pension plans.

Kennedy Travel (Yorkshire) Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2018**

21. RELATED PARTY DISCLOSURES

During the year, total dividends of £170,000 (2017: £nil) were paid to the directors and the directors were due £162,044 (2017: £nil) from the company at the year end.

Key management personnel compensation during the year was £481,553 (2017: £301,904).

22. ULTIMATE CONTROLLING PARTY

The controlling party is Mrs C Button.