

Registration number: 4469189

## Sykes Cottages Ltd

Directors' Report and Financial Statements  
for the Year Ended 30 September 2005

Armstrong Tomkins  
26 Thingwall Road  
Irby  
Wirral  
CH61 3UE



**Sykes Cottages Ltd**  
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**Sykes Cottages Ltd**  
**Officers and Advisers**

<b>Directors</b>	C P Sykes L J Teasdale
<b>Registered office</b>	York House York Street Chester CH1 3LR
<b>Bankers</b>	Lloyds Bank plc Chester Foregate St Chester
<b>Accountants</b>	Armstrong Tomkins 26 Thingwall Road Irby Wirral CH61 3UE

## **Sykes Cottages Ltd**

### **Directors' Report for the Year Ended 30 September 2005**

The directors present their report and the financial statements for the year ended 30 September 2005.

#### **Directors' responsibilities**

Directors are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the period ending on that date. In preparing those financial statements, directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

#### **Principal activity**

The principal activity of the company is the provision of holiday cottage agency services.

#### **Directors and their interests**

The directors who held office during the year and their beneficial interest in the shares of the company were as follows:

	<b>ordinary shares of £1 each</b>	
	<b>End of year No.</b>	<b>Start of year No.</b>
C P Sykes	50	50
L J Teasdale	50	50

#### **Election to dispense laying accounts**

In accordance with s.252, Companies Act 1985, the company has elected to dispense with laying accounts before the members in general meeting. Members, however, may by notice in writing to the company at its registered office require that accounts are laid before the members in general meeting.

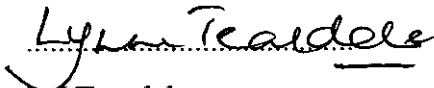
**Sykes Cottages Ltd**  
**Directors' Report for the Year Ended 30 September 2005**

..... *continued*

**Small company provisions**

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board and signed on its behalf by:



L J Teasdale  
Director

Date: 17/5/06

**Accountants' Report to the Directors on the Unaudited Financial Statements of  
Sykes Cottages Ltd**

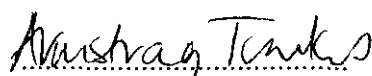
In order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company which comprise the Profit and Loss Account, the Balance Sheet, and the related notes from the accounting records and information and explanations you have given to us.

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this 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 Board of Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet as at 30 September 2005 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

  
Armstrong Tomkins

26 Thingwall Road  
Irby  
Wirral  
CH61 3UE

Date: 17.05.06

**Sykes Cottages Ltd**  
**Profit and Loss Account for the Year Ended 30 September 2005**

	Note	2005 £	2004 £
Turnover	2	1,102,543	629,599
Cost of sales		(70,110)	(101,919)
<b>Gross profit</b>		<u>1,032,433</u>	<u>527,680</u>
Administrative expenses		(863,099)	(404,267)
<b>Operating profit</b>	3	<u>169,334</u>	<u>123,413</u>
Other interest receivable and similar income		11,186	4,577
<b>Profit on ordinary activities before taxation</b>		<u>180,520</u>	<u>127,990</u>
Tax on profit on ordinary activities	6	(46,658)	(29,710)
<b>Profit on ordinary activities after taxation</b>		<u>133,862</u>	<u>98,280</u>
Dividends	7	(60,000)	(40,000)
<b>Retained profit for the financial year</b>		<u>73,862</u>	<u>58,280</u>
Retained profit brought forward		130,645	72,365
<b>Retained profit carried forward</b>		<u><u>204,507</u></u>	<u><u>130,645</u></u>

The notes on pages 8 to 12 form an integral part of these financial statements.

**Sykes Cottages Ltd**  
**Balance Sheet as at 30 September 2005**

		2005		2004	
	Note	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	8		194,652		222,460
Tangible assets	9		<u>23,039</u>		<u>8,782</u>
			217,691		231,242
<b>Current assets</b>					
Debtors	10	5,261		1,262	
Cash at bank and in hand		<u>559,398</u>		<u>304,242</u>	
		564,659		305,504	
<b>Creditors: Amounts falling due within one year</b>	11	<u>(577,743)</u>		<u>(406,001)</u>	
<b>Net current liabilities</b>			<u>(13,084)</u>		<u>(100,497)</u>
<b>Net assets</b>			<u>204,607</u>		<u>130,745</u>
<b>Capital and reserves</b>					
Called up share capital	12		100		100
Profit and loss reserve			<u>204,507</u>		<u>130,645</u>
<b>Equity shareholders' funds</b>			<u>204,607</u>		<u>130,745</u>

The notes on pages 8 to 12 form an integral part of these financial statements.



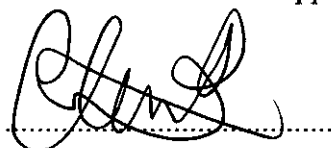
**Sykes Cottages Ltd**

**Balance Sheet as at 30 September 2005 (continued)**

For the financial year ended 30 September 2005, the company was entitled to exemption from audit under section 249A(1) of the Companies Act 1985; and no notice has been deposited under section 249B(2) requesting an audit. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Act and preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the year and of its profit or loss for the financial year in accordance with the requirements of section 226 and which otherwise comply with the Companies Act 1985, so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These accounts were approved by the Director on 17/5/06



C P Sykes  
Director

The notes on pages 8 to 12 form an integral part of these financial statements.

## **Sykes Cottages Ltd**

### **Notes to the Financial Statements for the Year Ended 30 September 2005**

#### **1 Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

##### **Cash flow statement**

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirements to prepare such a statement.

##### **Going concern**

These financial statements have been prepared on a going concern basis.

##### **Turnover**

Turnover represents amounts invoiced to third parties, net of value added tax.

##### **Amortisation**

Amortisation is provided on intangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Goodwill	10% per annum on cost
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##### **Depreciation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Computer equipment	25% per annum on cost
Office furniture & equipment	25% per annum on cost

##### **Goodwill**

Goodwill is the difference between the fair value of consideration paid for an acquired entity and the aggregate of the fair value of that entity's identifiable assets and liabilities.

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

## Sykes Cottages Ltd

### Notes to the Financial Statements for the Year Ended 30 September 2005

..... continued

#### 2 Turnover

The company's turnover represents the value, excluding value added tax, of goods and services supplied to customers during the year.

#### 3 Operating profit

Operating profit is stated after charging/(crediting):

	2005 £	2004 £
Depreciation of tangible fixed assets	6,870	2,633
Amortisation of intangible fixed assets	<u>27,808</u>	<u>27,808</u>

#### 4 Directors' emoluments

The directors' emoluments for the year are as follows:

	2005 £	2004 £
Directors' emoluments (including benefits in kind)	<u>9,980</u>	<u>9,240</u>

#### 5 Particulars of employees

The average number of persons employed by the company (including directors) during the year was as follows:

	2005 No.	2004 No.
Total	<u>18</u>	<u>12</u>

The aggregate payroll costs of these persons were as follows:

	2005 £	2004 £
Wages and salaries	<u>176,549</u>	<u>90,220</u>

**Sykes Cottages Ltd**

**Notes to the Financial Statements for the Year Ended 30 September 2005**

..... *continued*

**6 Taxation**

**Analysis of current period tax charge**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK Corporation tax	<u>46,658</u>	<u>29,710</u>

**7 Dividends**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Paid	<u>60,000</u>	<u>40,000</u>

# Sykes Cottages Ltd

## Notes to the Financial Statements for the Year Ended 30 September 2005

..... continued

### 8 Intangible fixed assets

	Goodwill £
<b>Cost</b>	
As at 1 October 2004 and 30 September 2005	<u>278,076</u>
<b>Amortisation</b>	
As at 1 October 2004	55,616
Charge for the year	<u>27,808</u>
As at 30 September 2005	<u>83,424</u>
<b>Net book value</b>	
As at 30 September 2005	<u>194,652</u>
As at 30 September 2004	<u>222,460</u>

### 9 Tangible fixed assets

	Office furniture & equipment £	Computer equipment £	Total £
<b>Cost</b>			
As at 1 October 2004	1,302	11,037	12,339
Additions	<u>10,412</u>	<u>10,715</u>	<u>21,127</u>
As at 30 September 2005	<u>11,714</u>	<u>21,752</u>	<u>33,466</u>
<b>Depreciation</b>			
As at 1 October 2004	510	3,047	3,557
Charge for the year	<u>2,552</u>	<u>4,318</u>	<u>6,870</u>
As at 30 September 2005	<u>3,062</u>	<u>7,365</u>	<u>10,427</u>
<b>Net book value</b>			
As at 30 September 2005	<u>8,652</u>	<u>14,387</u>	<u>23,039</u>
As at 30 September 2004	<u>792</u>	<u>7,990</u>	<u>8,782</u>

# Sykes Cottages Ltd

## Notes to the Financial Statements for the Year Ended 30 September 2005

..... continued

### 10 Debtors

	2005 £	2004 £
Trade debtors	<u>5,261</u>	<u>1,262</u>

### 11 Creditors: Amounts falling due within one year

	2005 £	2004 £
Trade creditors	124,407	39,119
Corporation tax	46,658	29,710
Social security and other taxes	14,975	10,134
Other creditors	181,246	121,435
Directors' loan account	171,411	174,921
Accruals	39,046	30,682
	<u>577,743</u>	<u>406,001</u>

### 12 Share capital

	2005 £	2004 £
<b>Authorised</b>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
<b>Allotted, called up and fully paid</b>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

**Sykes Cottages Ltd**

**Detailed Profit and Loss Account for the Year Ended 30 September 2005**

	<b>2005</b>		<b>2004</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>				
Sales, UK	1,081,102		613,326	
Tourist Board inspections	-		5,035	
Credit card charges	<u>21,441</u>		<u>11,238</u>	
		1,102,543		629,599
<b>Cost of sales</b>				
Insurance commission	2,872		37,169	
Brochure production costs	<u>67,238</u>		<u>64,750</u>	
		<u>(70,110)</u>		<u>(101,919)</u>
<b>Gross profit</b>				
93.64% (2004- 83.81%)		1,032,433		527,680
<b>Administrative expenses (analysed below)</b>				
Employment costs	295,419		130,535	
Establishment costs	43,363		14,874	
General administrative expenses	465,832		214,757	
Finance charges	23,807		13,660	
Depreciation costs	<u>34,678</u>		<u>30,441</u>	
		<u>(863,099)</u>		<u>(404,267)</u>
<b>Operating profit</b>		169,334		123,413
<b>Other interest receivable and similar income</b>				
Bank interest receivable		<u>11,186</u>		<u>4,577</u>
<b>Profit on ordinary activities before taxation</b>		180,520		127,990
<b>Tax on profit on ordinary activities before taxation</b>				
Corporation tax charge		<u>(46,658)</u>		<u>(29,710)</u>
<b>Profit on ordinary activities after taxation</b>		133,862		98,280
<b>Dividends</b>				
Ordinary dividend paid		<u>(60,000)</u>		<u>(40,000)</u>

This page does not form part of the statutory financial statements.

**Sykes Cottages Ltd**  
**Detailed Profit and Loss Account for the Year Ended 30 September 2005**

*..... continued*

**Retained profit for the  
financial year**

73,862

58,280

This page does not form part of the statutory financial statements.



**Sykes Cottages Ltd**

**Detailed Profit and Loss Account for the Year Ended 30 September 2005**

..... continued

	2005 £	2004 £
<b>Employment costs</b>		
Wages and salaries	166,569	80,980
Directors remuneration	9,980	9,240
Subcontractors	107,781	40,315
Staff recruitment	11,089	-
	<u>295,419</u>	<u>130,535</u>
	2005 £	2004 £
<b>Establishment costs</b>		
Rent	10,400	5,400
Rates and water	3,159	1,837
Light and heat	2,223	1,295
Office insurance	1,978	1,485
Repairs and renewals	25,603	4,857
	<u>43,363</u>	<u>14,874</u>
	2005 £	2004 £
<b>General administrative expenses</b>		
Telephone and fax	11,401	6,198
Computer software and consumables	16,346	-
Printing and stationery	6,906	3,801
Postage	55,194	35,799
Tourist Board inspections	-	4,189
Professional subscriptions	231	215
Sundry expenses	4,816	4,216
Cleaning	1,815	975
Motor & travel expenses	8,391	6,700
Advertising	297,181	127,608
Accountancy fees	4,100	3,325
Consultancy fees	59,451	21,731
	<u>465,832</u>	<u>214,757</u>

This page does not form part of the statutory financial statements.

**Sykes Cottages Ltd**

**Detailed Profit and Loss Account for the Year Ended 30 September 2005**

..... *continued*

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
<b>Finance charges</b>		
Bank charges	4,409	2,350
Credit card charges	19,398	11,310
	<u>23,807</u>	<u>13,660</u>
	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
<b>Depreciation costs</b>		
Amortisation of goodwill	27,808	27,808
Depreciation of office furniture & equipment	2,552	510
Depreciation of computer equipment	4,318	2,123
	<u>34,678</u>	<u>30,441</u>

This page does not form part of the statutory financial statements.