Sykes Cottages Holdings Limited
(formerly Aghoco 1275 Limited)

Annual report and financial statements

Registered number 9346246

30 September 2015

Contents

Strategic report

The directors present their strategic report for the 10 month period ended 30 September 2015.

Business review

The company was incorporated on 8 December 2014.

On 26 January 2015, Go-Sykes Limited, which is a 100% owned subsidiary of Sykes Cottages Holdings Limited acquired 100% of the ordinary share capital of Sykes Cottages Ltd and Self-Catering Travel Ltd. All turnover and operating profit excluding exceptional costs arises from these acquisitions.

Sykes Cottages Holdings Limited is funded via investment from the existing shareholders and Living Bridge LLP, who have a controlling interest.

The profit and loss account is set out on page 8, showing an operating profit for the period ended 30 September 2015 of £1,543,000 and a loss for the financial year of £961,000. The directors will continue to develop the existing activities of the group.

Key financial indicators

The group's key financial and other performance indicators during the year were as follows:

	Unit	**2015**
Gross profit margin	%	61.00
Current ratio	1.00	1.04

Group Strategy

The group is dedicated to providing a holiday letting agency service in the UK and Ireland. This is a competitive market with regards to price and stock acquisition. The group maintains a competitive pricing policy and has strong relationships with property owners in order to minimise such risks.

The group's activities expose it to a number of financial risks including liquidity risk, foreign currency risk, interest rate risk, cash flow risk and price risk.

Strategic Report *(continued)*

Financial instruments

Objectives and policies

The company does not use derivative financial instruments for speculative purposes. The group enters into financial derivative contracts to mitigate financial risk and details are included below under the relevant risk heading.

Price risk, credit risk, liquidity risk and cash flow risk

Price risk

The prices of the group's products are predominantly agreed at the start of each season, although exchange rate movements may affect the sterling price, foreign currency risk is detailed below.

Foreign currency risk

The group makes purchases and receives monies from sales denominated in foreign currency. In order to mitigate the risk of movements in foreign currency rates, the company enters into foreign currency derivative contracts.

Credit risk

The group has a large number of small customers, but the directors believe that credit risk is mitigated by the fact that customers are required to pay before the holiday is taken.

Liquidity risk

The group's cash balances and deposits are managed to provide a balance between maximising interest rate returns and maintaining access to working capital. We ensure our short term deposits are flexible and accessible if required. Working capital requirements are monitored on an ongoing basis, so the directors do not consider there to be a significant risk in this area.

Interest rate risk

Interest is credited on the group's cash balances at variable rates. Loan notes interest is charged as per the loan note agreements. Bank loan interest is currently charged at 3.75% above base rate and varies depending on leverage. The interest rate risk is monitored regularly and an interest rate swap is used to hedge against this risk.

Cash flow risk

The directors consider that the main risk concerning cash flow relates to unexpected reductions in demand and change in interest rates. The group maintains a flexible cost structure that the directors believe would mitigate the demand risk and interest rate risk is constantly monitored.

Approved by the Board on 27|1|16 and signed on its behalf by:

Michael S Graham

Michael Graham
Director

Directors' report

The directors present their annual report and financial statements in respect of the 10 month period ended 30 September 2015.

Principal activities

The group's principal activity is providing an agency service, marketing and selling holiday cottages which are located in the UK and Ireland.

Sykes Cottages Holdings Ltd has ownership and control of the trading companies Sykes Ltd and Self Catering Travel. A reconciliation to the operating profit of the entities is shown below:

Operating profit of Sykes Cottages Holdings Ltd	1,543
Add back: Amortisation of Goodwill on acquisition	1,822
Less: Pre-acquisition trading losses	(283)
Trading companies operating profit	3,082
Analysed as:	
Operating profit of Sykes Cottages Ltd	3,089
Operating loss of Self Catering Travel Ltd	(7)

Proposed dividend

The directors do not recommend the payment of a dividend.

Directors

The directors who held office during the year were as follows:

Miles Geoffrey Hill (appointed 15 January 2015)

Clive Peter Sykes (appointed 15 January 2015)

Lynne Joyce Teasdale (appointed 26 January 2015, resigned 1 January 2016)

Nicholas Paul Magoolagan (appointed 26 January 2015)

Michael Charles Rivis (appointed 26 January 2015)

Daniel Smith (appointed 26 January 2015)

Paul Gilbert (appointed 1 July 2015)

Michael Graham (appointed 15 June 2015)

Adam Holloway (appointed 17 February 2015)

Laurence Marlor (appointed 28 August 2015)

Political contributions

Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the period.

Directors' report *(continued)*

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the 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.

Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on page 1.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

Michael S Graham 27/1/16

Michael Graham
Director

100 Barbirolli Square
Manchester
M2 3AB

Statement of directors' responsibilities in respect of the Annual Report, Directors' Report and the financial statements

The directors are responsible for preparing the Annual 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 they have elected to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

KPMG LLP

1 St Peter's Square
Manchester
M2 3AE
United Kingdom

Independent auditor's report to the members of (formerly Aghoco 1275 Limited)

We have audited the financial statements of Sykes Cottages Holdings Limited for the 10 month period ended 30 September 2015 set out on pages 8 to 26. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 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 members, 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 5, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements
In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 September 2015 and of the group's loss for the period then ended;
- have been properly prepared in accordance with UK 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 the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Sykes Cottages Holdings Limited *(continued)*

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Mick Davies 29/11/16

Mick Davies (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE

Consolidated Profit and Loss Account
for the 10 month period ended 30 September 2015

	Note	2015 £000
Turnover	*2,3*	**15,318**
Continuing		-
Acquisitions		15,318
Cost of sales (*including exceptional costs of £299,540*)	*3*	(5,925)
Gross profit	*3*	**9,393**
Continuing		(300)
Acquisitions		9,693
Administrative expenses	*3*	(7,850)
Operating profit	*3*	**1,543**
Ordinary activities		1,843
Exceptional costs		(300)
Other interest receivable and similar income	*6*	29
Interest payable and similar charges	*7*	(2,494)
Loss on ordinary activities before taxation		(922)
Tax on loss on ordinary activities	*8*	(39)
Loss for the financial period		(961)

Non-GAAP measure: pre-exceptional Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)

Analysed as:	**£000**
Operating profit before exceptional items as analysed above	1,843
Add back: depreciation of tangible fixed assets	142
Add back: amortisation of goodwill and intangible fixed assets	2,092
EBITDA before exceptional items	4,077

There were no recognised gains or losses in the current period other than those reported above.

The notes on pages 13 to 26 form part of the financial statements.

Consolidated Balance Sheet
at 30 September 2015

	Note	2015 £000
Fixed assets		
Intangible assets		
Goodwill	*9*	52,645
Other intangible assets	*9*	1,315
		53,960
Tangible assets	*10*	729
		54,689
Current assets		
Cash at bank and in hand	*12*	7,207
Debtors	*13*	415
		7,622
Creditors: amounts falling due within one year	*14*	(8,248)
Net current liabilities		(626)
Total assets less current liabilities		54,063
Creditors: amounts falling due after more than one year	*15*	(53,897)
Provisions for liabilities	*16*	(194)
Net liabilities		(28)
Capital and reserves	*18*	64
Called up share capital	*19*	869
Share premium account	*19*	(961)
Profit and loss account		
Shareholders' deficit		(28)

The notes on pages 13 to 26 form part of the financial statements.

These financial statements were approved by the board of directors on 27/1/16 and were signed on its behalf by:

Michael S Graham

Michael Graham
Director

Company registered number: 9346246

Company Balance Sheet
at 30 September 2015

	Note	2015 £000
Fixed assets		
Investments	*11*	-
		-
Current assets		
Debtors (including £32,491,904 due after more than one year)	*13*	32,492
Cash at bank and in hand		212
		32,704
Creditors: amounts falling due within one year	*14*	(5,298)
Net current assets		27,406
Total assets less current liabilities		27,406
Creditors: amounts falling due after more than one year	*15*	(26,743)
Net assets		663
Capital and reserves		
Called up share capital	*18*	64
Share premium account	*19*	869
Profit and loss account	*19*	(268)
Shareholders' funds		663

The notes on pages 13 to 26 form part of the financial statements.

These financial statements were approved by the board of directors on 27/1/16 and were signed on its behalf by:

Michael S Graham

Michael Graham
Director

Company registered number: 9346246

Consolidated Cash Flow Statement

for the 10 month period ended 30 September 2015

Cash flow statement

	Note	**2015 £000**
Cash flow from operating activities	*22*	6,522
Returns on investments and servicing of finance	*23*	(2,465)
Capital expenditure and financial investment	*23*	(1,284)
Acquisitions and disposals	*23*	(54,726)
Cash outflow before management of liquid resources and financing		(51,953)
Financing	*23*	59,160
Increase in cash in the period	*24*	7,207

Reconciliation of net cash flow to movement in net debt

	Note	**2015 £000**
Increase in cash in the period		7,207
Cash inflow from increase in debt and lease financing		(58,627)
Cash outflow from loan repayments		400
Movement in net debt in the period		(58,227)
Net debt at the start of the period		-
Net debt at the end of the period	*24*	(51,020)

The notes on pages 13 to 26 form part of the financial statements.

Reconciliations of Movements in Shareholders' (Deficit)/Funds

for the 10 month period ended 30 September 2015

	Note	Group 2015 £000	Company 2015 £000
Loss for the financial period	*19*	(961)	(269)
Retained loss		(961)	(269)
New share capital subscribed (net of issue costs)	*18*	932	932
Net (reduction)/addition to shareholders' funds		(29)	663
Opening shareholders' funds		-	-
Closing shareholders' (deficit)/funds		(29)	663

The notes on pages 13 to 26 form part of the financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Going concern

The directors have considered the future trading prospects of the Company and the Sykes Cottages Group together with the level of its cash resources, taking into account reasonable sensitivities, and consider the going concern assertion to be appropriate. The financial statements have been prepared on a going concern basis for this reason

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 30 September 2015. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the period are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

Goodwill and negative goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on consolidation is capitalised. Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life. The directors' estimate of the useful economic life is considered on an individual basis and this is considered to be 20 years.

Intangible fixed assets and amortisation

Intangible fixed assets purchased separately from a business are capitalised at their cost.

Intangible assets acquired as part of an acquisition are capitalised at their fair value where this can be measured reliably.

Investments

In the Company's financial statements, investments in subsidiary undertakings are stated at cost.

Amortisation

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

Goodwill	-	Amortised over 20 years
Software development	-	25% per annum on cost

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 and equipment	-	25% per annum on cost
Plant and machinery	-	25% per annum on cost

Notes *(continued)*

1 Accounting policies *(continued)*

Impairment of fixed assets and goodwill

The carrying amounts of the Group's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its income-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account unless it arises on a previously revalued fixed asset. An impairment loss on a revalued fixed asset is recognised in the profit and loss account if it is caused by a clear consumption of economic benefits. Otherwise impairments are recognised in the statement of total recognised gains and losses until the carrying amount reaches the asset's depreciated historic cost.

Impairment losses recognised in respect of income-generating units are allocated first to reduce the carrying amount of any goodwill allocated to income-generating units, then to any capitalised intangible asset and finally to the carrying amount of the tangible assets in the unit on a pro rata or more appropriate basis. An income generating unit is the smallest identifiable group of assets that generates income that is largely independent of the income streams from other assets or groups of assets.

Calculation of recoverable amount

The recoverable amount of fixed assets is the greater of their net realisable value and value in use. In assessing value in use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the rate of return expected on an equally risky investment. For an asset that does not generate largely independent income streams, the recoverable amount is determined for the income-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss is reversed on intangible assets and goodwill only if subsequent external events reverse the effect of the original event which caused the recognition of the impairment or the loss arose on an intangible asset with a readily ascertainable market value and that market value has increased above the impaired carrying amount. For other fixed assets where the recoverable amount increases as a result of a change in economic conditions or in the expected use of the asset then the resultant reversal of the impairment loss should be recognised in the current period.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction, if hedged forward, at the rate of exchange under the related forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Post retirement benefits

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Notes *(continued)*

1 Accounting policies *(continued)*

Research and development expenditure

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred. Development expenditure is capitalised only where there is a clearly defined project, the expenditure is separately identifiable, the outcome of the project can be assessed with reasonable certainty, aggregate costs are expected to exceed related future sales and adequate resources exist to enable the project to be completed.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Financial instruments and borrowings

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Interest-bearing loans are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the profit and loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Interest bearing borrowings

Immediately after issue debt is stated at the fair value of the consideration received on the issue of the capital instrument after deduction of issue costs. The finance cost of the debt is allocated to periods over the term of the debt at a constant rate on the carrying amount.

Turnover

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers.

Income is recognised at the point of booking conformation, along with receipt of payment. This is when risks and rewards relating to the transaction are transferred.

Dividends on shares presented within equity

Dividends are only recognised as a liability to the extent that they are declared prior to the year end. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Cash and liquid resources

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

Liquid resources are current asset investments which are disposable without curtailing or disrupting the business and are either readily convertible into known amounts of cash at or close to their carrying values or traded in an active market.

Notes *(continued)*

2 Segmental information

The table below sets out information for each of the Group's geographic areas of operation.

	2015
	£000
UK	14,319
Ireland	999
Turnover by origin	15,318

3 Notes to the profit and loss account

Loss on ordinary activities before taxation is stated after charging/(crediting)

	2015
	£000
Depreciation and other amounts written off tangible fixed assets:	
Owned	142
Amortisation of goodwill	1,822
Amortisation of software	270
Hire of other assets - operating leases	159
Exceptional costs	300

Exceptional costs of £299,540 relate to professional fees incurred post the group restructure.

Auditor's remuneration:	
Audit of these financial statements	3
Amounts receivable by the company's auditor and its associates in respect of:	
Audit of financial statements of subsidiaries of the company	27
Taxation compliance services	10

4 Remuneration of directors

	2015
	£000
Directors' remuneration	427

The aggregate of remuneration of the highest paid director was £114,609.

Notes *(continued)*

5 Staff numbers and costs

The average number of persons employed by the Group (including directors) during the year, analysed by category, was as follows:

	Group 2015 Number
Administration and Support	**131**
Sales	**101**
	232

The aggregate payroll costs of these persons were as follows:

	2015 £000
Wages and salaries	**3,045**
Social security costs	**318**
Other pension costs	**52**
	3,415

6 Other interest receivable and similar income

	2015 £000
Other	**29**
	29

7 Interest payable and similar charges

	2015 £000
On bank loans and overdrafts	**514**
On all other loans	**1,980**
	2,494

Notes *(continued)*

8 Taxation

Analysis of charge in period

	2015 £000	£000
UK corporation tax		
Current tax on income for the period	-	
Total current tax		-
Deferred tax		
Origination/reversal of timing differences	(39)	
Total deferred tax		(39)
Tax on loss on ordinary activities		(39)

Factors affecting the tax charge for the current period

The current tax charge for the period is higher than the standard rate of corporation tax in the UK of 20.5%. The differences are explained below.

	2015 £000
Current tax reconciliation	
Loss on ordinary activities before tax	(922)
Current tax at 20.5%	(189)
Effects of:	
Expenses not deductible for tax purposes	778
Capital allowances for period in excess of depreciation	(41)
Utilisation of tax losses	(551)
Other short timing differences	3
Total current tax charge (see above)	-

Factors that may affect future current and total tax charges

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. This will reduce the company's future current tax charge accordingly.

A potential deferred tax asset of £310,890 related to short term timing differences and losses has not been recognised in these financial statements due to uncertainty as to its recoverability.

Notes *(continued)*

9 Intangible fixed assets

Group	**Software £000**	**Goodwill £000**	**Total £000**
Cost			
At beginning of period	-	-	-
Acquired in business combination	876	54,467	**55,343**
Additions	709	-	**709**
At end of period	1,585	54,467	**56,052**
Amortisation			
At beginning of period	-	-	-
Charged in year	(270)	(1,822)	**(2,092)**
At end of period	(270)	(1,822)	**(2,092)**
Net book value			
At 30 September 2015	**1,315**	**52,645**	**53,960**
On incorporation	-	-	-

The directors consider each acquisition separately for the purpose of determining the amortisation period of any goodwill that arises. The following sets out the periods over which goodwill is amortised and the reasons for the periods chosen:

20 years as being the useful economic life of goodwill on acquisition of the Sykes Cottages Group.

10 Tangible fixed assets

	Assets under construction £000	**Plant and machinery £000**	**Fixtures, fittings, tools and equipment £000**	**Total £000**
Group				
Cost				
At beginning of period	-	-	-	-
Acquired in business combination		16	280	296
Additions	21	-	554	575
At end of period	21	16	834	871
Depreciation				
At beginning of period	-	-	-	-
Charge for period	-	7	135	142
At end of period	-	7	135	142
Net book value				
At 30 September 2015	21	9	699	729
At beginning of period	-	-	-	-

Notes *(continued)*

11 Fixed asset investments

	Shares in group undertaking £
Company	
Cost and net book value	
At beginning of period	-
Additions	1
At end of period	1

A list of subsidiary undertakings at 30 September 2015 is provided below:

Name	Country of incorporation	Principal activity	Class of share held	Percentage of shares held
Go-Sykes Limited	UK	Management company	Ordinary	100%
Sykes Cottages Ltd*	UK	Holiday cottage agency	Ordinary	100%
Self Catering Travel Ltd*	UK	Holiday cottage agency	Ordinary	100%

* These are not direct investments but investments held by subsidiary undertakings.

12 Cash

Included within cash is £3,428,000 held in escrow with JP Morgan, which is to be released in 2016.

13 Debtors

	Group 2015 £000	Company 2015 £000
Trade debtors	170	-
Other debtors	106	-
Amounts owed by group undertakings due after more than one year	-	32,492
Prepayments and accrued income	140	-
	416	32,492

14 Creditors: amounts falling due within one year

	Group 2015 £000	Company 2015 £000
Bank loans	900	900
Amounts owed to group undertakings	-	831
Trade creditors	1,175	-
Loan notes	3,430	3,430
Taxation and social security	95	-
Other creditors	2,060	-
Accruals and deferred income	588	137
	8,248	5,298

Notes *(continued)*

15 Creditors: amounts falling due after more than one year

	Group 2015 £000	Company 2015 £000
Bank loans	16,700	16,700
Loan notes	37,197	10,043
	53,897	26,743

Group

Loan notes

Loan notes due in more than one year are split between £27,154,785 A loan notes plus interest due for repayment from 31 March 2021 and in full by September 2022, £10,042,605 B loan notes plus interest due for repayment from 31 March 2021 and in full by September 2022. Accrued interest on the loan notes at the period end was £523,780.

Bank loan

The bank loan bears interest at LIBOR + 3% to 3.75% depending on the leverage ratio and is due for repayment in 10 six-monthly instalments finishing on January 2020. A £400,000 repayment was made as required in June 2015.

Maturity of credit facilities

The maturity profile of the Group's loan term debt was as follows:

	2015 £000
In 2 to 5 years	16,700
In more than 5 years	37,197
	53,897

Company

Loan notes

Loan notes due in more than one year include £10,042,605 B loan notes due for repayment from 31 March 2021 and in full by September 2022. Accrued interest on the loan notes at the period end was £521,483.

Maturity of credit facilities

The maturity profile of the company's long term debt was as follows:

	2015 £000
In 2 to 5 years	16,700
In more than 5 years	10,043
	26,743

Notes *(continued)*

16 Provisions for liabilities

	Deferred taxation £000
Group	
At beginning of period acquired in business combination	-
Acquired in business combination	155
Charge/credit to the profit and loss for the year	39
At end of period	**194**

The elements of deferred taxation are as follows:	Deferred taxation £000
Difference between accumulated depreciation and amortisation and capital allowances	199
Other timing differences	(5)
Deferred tax liability	**194**

17 Fair value of assets and liabilities

The company has derivative financial instruments that it has not recognised at fair value as follows:

At the 30 September 2015 the company had 1 outstanding interest rate swap contract cost totalling £54,000 with a fair value of £35,000.

18 Called up share capital

	2015 Number	2015 £000
Allotted, called up and fully paid		
Ordinary A shares of £0.005 each	5,846,667	29
Ordinary B shares of £0.01 each	2,153,333	22
Ordinary C shares of £0.01 each	1,325,000	13
Ordinary D shares of £0.01 each	1,000	-
	9,326,000	**64**

All shares disclosed above were issued in the period for a consideration of £932,000 settled in cash.

At the period end there were 675,000 C shares were unallocated.

Notes *(continued)*

19 Share premium and reserves

Group	**Share premium account 2015 £000**	**Profit and loss account 2015 £000**
At beginning of period	-	-
Loss for the period	-	(961)
Premium on share issues, less expenses	869	-
At end of period	**869**	**(961)**

Company	**Share premium account 2015 £000**	**Profit and loss account 2015 £000**
At beginning of period	-	-
Loss for the period	-	(268)
Premium on share issues, less expenses	869	-
At end of period	**869**	**(268)**

The Company's loss for the financial period was £268,000.

20 Commitments

Annual commitments under non-cancellable operating leases are as follows:

Group	**Land and buildings 2015 £000**	**Other 2015 £000**
Operating leases which expire:		
In the second to fifth years inclusive	**210**	**210**
	210	**210**

21 Defined contribution pension scheme

The Group operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the Group to the scheme and amounted to £44,000.

Contributions amounting to £25,000 were payable to the scheme and are included in creditors.

Notes *(continued)*

22 Reconciliation of operating profit to operating cash flows

	2015 £000
Operating profit	1,543
Depreciation	142
Amortisation	2,092
Decrease in debtors	4,988
Decrease in creditors	(2,243)
Net cash inflow from operating activities	**6,522**

23 Analysis of cash flows

	Notes	2015 £000
Returns on investment and servicing of finance		
Interest received		29
Interest paid	7	(2,494)
Net cash outflow from returns on investments and servicing of finance		**(2,465)**
Capital expenditure and financial investment		
Purchase of tangible fixed assets	*10*	(575)
Purchase of intangible assets	*9*	(709)
Net cash outflow from capital expenditure		**(1,284)**
Acquisitions and disposals		
Purchase of subsidiary undertaking, net of cash	*25*	54,726
Net cash outflow before financing from acquisitions and disposals		**54,726**

	Notes	2015 £000
Financing		
Repayment of loans	*15*	(400)
Bank loans	*14, 15*	18,000
Loan notes	*14, 15*	40,627
Issue of new shares	*18*	933
Net cash outflow from financing		**59,160**

Notes *(continued)*

24 Analysis of net debt

	At beginning of period £000	Cash flow £000	On acquisition £000	At end of period £000
Cash in hand, at bank	-	4,271	2,936	**7,207**
	-	4,271	2,936	**7,207**
Debt due after one year	-	(53,897)	-	**(53,897)**
Debt due within one year	-	(4,330)	-	**(4,330)**
Total	-	**(53,956)**	**2,936**	**(51,020)**

25 Purchase of subsidiary undertaking

On 26 January 2015 the company acquired all the ordinary share capital of Go-Sykes Limited which simultaneously purchased Sykes Cottages Ltd and Self-Catering Travel Ltd. The resulting goodwill of £54,460,000 was capitalised and will be written off over 20 year, over its expected useful economic life. The following table sets out the aggregated book values of the identifiable assets and liabilities acquired on 26 January 2015 and their provisional fair value to the group.

	Book value and fair value £000
Net assets acquired	
Tangible fixed assets	**296**
Intangible fixed assets	**877**
Debtors	**5,404**
Cash at bank and in hand	**2,936**
Creditors	**(6,164)**
Deferred taxation	**(155)**
Net assets	**3,194**
Goodwill	**54,467**
Satisfied by	
Cash	**57,661**

The acquired undertaking made a profit of £89,000 from the beginning of its financial year to the date of acquisition. In its previous financial year commencing on 1 October 2013 the profit was £2,344,000.

Notes *(continued)*

26 Related party disclosures

The group rents office premises which are jointly owned by the directors C P Sykes and L J Teasdale. Rents paid during the year amounted to £60,000.

The company also rents office premises which are owed by CLM Chester LLP. C P Sykes, L J Teasdale and M Hill are partners in CLM Chester LLP. Rents paid during the period amounted to £99,000.

CLM Chester LLP rents three properties through Sykes Cottages Ltd. Commission of £17,000 were recognised on these properties during the period. £34,000 was left in creditors owing to CLM Chester LLP at year end in relation to these properties.

During the period the Group received and repaid £18,000,000 senior loan notes to Living Bridge LLP who is the majority shareholder in Sykes Cottages Holdings Limited. Interest of £32,000 was paid in the period.

During the period the company issued £25,725,000 loan notes to Living Bridge LLP. Principal plus interest owed at the period end is £27,155,000.

The Company has the following principal plus interest on loan notes outstanding from related parties at £1 per note:

	Number of loan notes 2015 £000
Clive Sykes	2,078
Lynne Teasdale	2,104
Miles Hill	4,183
Nick Magooligan	1,568
Mike Rivis	32
Paul Gilbert	36
Laurence Marlor	32

27 Ultimate parent company and parent undertaking of larger group

The Company is a subsidiary undertaking of Living Bridge LLP which is the ultimate parent company incorporated in the UK.

This is the largest group in which the results of the Company are consolidated.