

Sorrento Holdings Limited

Annual report and consolidated financial statements  
for the year ended 30 June 2015

Registered number: 06004360

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# Sorrento Holdings Limited

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# **Sorrento Holdings Limited**

## **Directors and advisers for the year ended 30 June 2015**

### **Directors**

J J Mangan  
B M Croghan  
M Ponsonby  
D J Ponsonby

### **Company secretary**

J J Mangan

### **Registered office**

6100 Knights Court  
Solihull Parkway  
Birmingham Business Park  
Solihull  
West Midlands  
B37 7WY

### **Independent auditor**

Mazars LLP  
45 Church Street  
Birmingham  
B3 2RT

### **Bankers**

Barclays Bank Plc  
Barclays Business Centre  
38 Hagley Road  
Edgbaston  
Birmingham  
West Midlands  
B16 8NY

### **Registered number**

06004360

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# Sorrento Holdings Limited

## Strategic report for the year ended 30 June 2015

The Directors present their strategic report for the year ended 30 June 2015.

### REVIEW AND ANALYSIS OF THE BUSINESS DURING THE CURRENT YEAR

The Group continued its principal activities throughout the current year.

### KEY PERFORMANCE INDICATORS

Management use a range of performance measures to monitor and manage the business. The financial key performance indicators are set out below.

	2015	2014
Gross profit margin	10.4%	13.9%
Earnings before interest and tax ('EBIT')	1.1%	4.2%
Current ratio (Current assets/Current liabilities)	1.07	1.08
	£000	£000
Net cash inflow / (outflow)	67	(138)

### DEVELOPMENT AND FINANCIAL PERFORMANCE DURING THE YEAR

As reported in the Group's profit and loss account, there was a big increase in turnover which yielded only a slight increase in gross profit. Turnover for the Company increased by 37% on an annualised basis but EBIT reduced from a £494k profit to £169k.

In addition to our core 4<sup>th</sup> Party Logistics business, the Group has quickly built up a fleet of 52 heavy goods vehicles and related trailers servicing our customers on routes in the UK. The fleet is likely to increase by a further 20% early in the new financial year. The intention is to continue to develop both the core business and own vehicle work in the new financial year. More effective utilisation of own fleet vehicles will be a priority.

### FINANCIAL POSITION AT THE REPORTING DATE

The balance sheet shows that the Group's net assets at the year-end increased from £1,824k at the prior year end to £1,926k. A net cash inflow of £67k has been achieved in spite of creditor days reducing from 45 days at the previous year end to 41 days at 30 June 2015.

# **Sorrento Holdings Limited**

## **Strategic Report**

**for the year ending 30 June 2015 (continued)**

### **PRINCIPAL RISKS AND UNCERTAINTIES FACING THE BUSINESS**

The principal risks and uncertainties facing the Group are as follows:

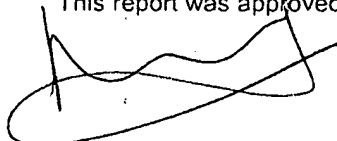
To progress the 4<sup>th</sup> Party Logistics business, the Group has developed strong working relationships with its key suppliers as part of the Corporate Alliance. These relationships are closely monitored and we are constantly striving to add good quality transport companies to meet the new and ongoing needs of our customers. Securing and retaining the services of good quality and reliable drivers underpins the development and consolidation of our own-fleet business.

Our personnel are key to the success of this organisation. Loss of key personnel is a risk faced by most businesses and we manage this risk by ensuring we train, reward and communicate with our people as effectively as possible.

The Group operates in very competitive markets, which always poses a risk to the on-going success of the business. It is therefore important to ensure we maintain our competitive edge through offering the best quality and most proactive transport solutions possible.

### **APPROVAL**

This report was approved by the board on 31 March 2016 and signed on its behalf by:



**J J Mangan**  
Director

# **Sorrento Holdings Limited**

## **Directors' report for the year ended 30 June 2015**

The Directors present their report and financial statements for the year ended 30 June 2015.

### **PRINCIPAL ACTIVITIES**

The company operates as a holding company of a subsidiary undertaking whose principal activity is that of haulage contractors. The company holds investments in subsidiary undertakings and property.

### **FUTURE DEVELOPMENTS**

The outlook for 2016 is encouraging. The Group will continue to grow its turnover through both sub-contracted work and through its own fleet but also focus on the need to significantly drive up gross profit margins.

### **DIVIDENDS**

The directors have not paid any dividends in the year (2014: nil).

### **DIRECTORS**

The directors set out below have held office during the whole of the period from 1 July 2014 to the date of this report unless otherwise stated.

J J Mangan  
B M Croghan  
M Ponsonby  
D J Ponsonby

### **RESPONSIBILITIES OF DIRECTORS**

The directors are responsible for preparing the Strategic Report, Directors' Report and 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 the Group and the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- \* select suitable accounting policies and then apply them consistently;
- \* make judgments and accounting 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 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **Sorrento Holdings Limited**

## **Directors' Report**

**for the year ending 30 June 2015 (continued)**

### **DIRECTORS' INDEMNITY**

The Company's Articles of Association provide, subject to the provisions of UK legislation, an indemnity for directors and officers of the Company in respect of liabilities they may incur in the discharge of their duties or in the exercise of their powers, including any liabilities relating to the defence of any proceedings brought against them which relate to anything done or omitted, or alleged to have done or omitted, by them as officers or employees of the Company.

Appropriate directors' and officers' liability insurance cover is in place in respect of all the Company's directors.

### **EMPLOYEE INVOLVEMENT**

The Group has well established structures and procedures for consultation and negotiation with its employees. Importance is placed on this aspect of the business and all managers have responsibility towards this end.

### **DISABLED PERSONS**

The Group has an established policy of encouraging the employment of disabled persons whenever this is practicable.

### **FINANCIAL INSTRUMENTS**

The Group uses financial instruments. Their existence exposes the Group to a number of financial risks which are described in more detail below.

#### **Currency risk**

The Group is exposed to foreign exchange risk. Transaction exposures, including those associated with forecast transactions, are assessed and hedging is considered where the risks facing the Group are outside acceptable limits.

Foreign exchange differences on retranslation of these assets and liabilities are taken to the profit and loss account.

#### **Credit risk**

The principal credit risk arises from trade debtors.

In order to manage credit risk the directors set limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed on a regular basis in conjunction with debt ageing and collection history.

# **Sorrento Holdings Limited**

## **Directors' Report**

**for the year ending 30 June 2015 (continued)**

### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR**

In the case of each of the persons who are directors of the company at the date when this report was approved:

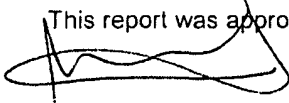
- \* so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditor is unaware; and
- \* each of the directors has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information (as defined) and to establish that the Company's auditor is aware of that information.

### **AUDITORS**

Mazars LLP will continue in office in accordance with CA 2006 s487(2).

### **APPROVAL**

This report was approved by the board on 31 March 2016 and signed on its behalf by:



**J J Mangan**  
Director



# Sorrento Holdings Limited

## Independent auditor's report to the members of Sorrento Holdings Limited

We have audited the group and parent company financial statements (the "financial statements") of Sorrento Holdings Limited for the year ended 30 June 2015 which comprise the consolidated profit and loss account, the consolidated and parent company balance sheets, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. 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.

### 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 web-site at [www.frc.org.uk/auditscopeukprivate](http://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 the parent company's affairs as at 30 June 2015 and of the group's profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### 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.



Ian Holder (Senior Statutory Auditor)  
For and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor  
Birmingham  
31 March 2016

# Sorrento Holdings Limited

## Consolidated profit and loss account for the year ended 30 June 2015

		2015	2014
	Notes	£	£
<b>Turnover</b>	2	16,250,485	11,834,184
<b>Cost of sales</b>		(14,565,894)	(10,184,766)
<b>Gross profit</b>		1,684,591	1,649,418
<b>Administrative expenses</b>		(1,590,963)	(1,280,858)
<b>Other operating income</b>		144,495	125,221
<b>Operating profit</b>	3	238,123	493,781
<b>Loss on revaluation of tangible fixed assets</b>		(68,678)	-
<b>Interest receivable and similar income</b>	5	487	660
<b>Interest payable and similar charges</b>	6	(23,387)	(25,601)
<b>Profit on ordinary activities before taxation</b>		146,545	468,840
<b>Tax on profit on ordinary activities</b>	7	(83,640)	(132,246)
<b>Profit on ordinary activities after taxation</b>		62,905	336,594
<b>Minority interests</b>	19	(6,490)	(47,083)
<b>Profit for the financial year</b>	17	56,415	289,511

All of the activities of the company are classed as continuing.

The group has no recognised gains or losses other than the results for the financial years as set out above, and therefore no separate statement of total recognised gains and losses has been presented.

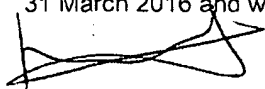
There is no difference between the profit on ordinary activities before taxation and the retained profit for the financial years stated above and their historical cost equivalents.

# Sorrento Holdings Limited

## Consolidated balance sheet as at 30 June 2015

	Notes	2015 £	2014 £
<b>Fixed assets</b>			
Tangible assets	8	587,660	659,959
Investment property	10	1,517,562	1,479,249
		<b>2,105,222</b>	<b>2,139,208</b>
<b>Current assets</b>			
Debtors	11	3,207,683	2,811,247
Cash at bank and in hand		137,583	70,089
		<b>3,345,266</b>	<b>2,881,336</b>
<b>Creditors: amounts falling due within one year</b>	12	<b>(3,121,556)</b>	<b>(2,660,763)</b>
<b>Net current assets</b>		<b>223,710</b>	<b>220,573</b>
<b>Total assets less current liabilities</b>		<b>2,328,932</b>	<b>2,359,781</b>
<b>Creditors: amounts falling due after more than one year</b>	13	<b>(403,677)</b>	<b>(535,744)</b>
<b>Net assets</b>		<b>1,925,255</b>	<b>1,824,037</b>
<b>Capital and reserves</b>			
Called up share capital	16	1,000	1,000
Investment property revaluation reserve	17	44,026	5,713
Profit and loss account	17	1,707,086	1,650,671
<b>Total shareholders' funds</b>	18	<b>1,752,112</b>	<b>1,657,384</b>
Minority interests	19	173,143	166,653
<b>Capital employed</b>		<b>1,925,255</b>	<b>1,824,037</b>

The financial statements set out on pages 7 to 28 were approved by the board of directors on 31 March 2016 and were signed on its behalf by:



J J Mangan  
Director

# Sorrento Holdings Limited

## Company balance sheet as at 30 June 2015

	Notes	2015 £	2014 £
<b>Fixed assets</b>			
Tangible assets	8	541,105	624,162
Investments	9	1,073,365	1,047,404
Investment property	10	1,517,562	1,479,249
		<b>3,132,032</b>	<b>3,150,815</b>
<b>Current assets</b>			
Debtors	11	7,206	28,379
Cash at bank and in hand		52,278	40,093
		<b>59,484</b>	<b>68,472</b>
<b>Creditors: amounts falling due within one year</b>	12	<b>(1,035,361)</b>	<b>(1,025,784)</b>
<b>Net current liabilities</b>		<b>(975,877)</b>	<b>(957,312)</b>
<b>Total assets less current liabilities</b>		<b>2,156,155</b>	<b>2,193,503</b>
<b>Creditors: amounts falling due after more than one year</b>	13	<b>(403,677)</b>	<b>(535,744)</b>
<b>Provisions for liabilities</b>	15	<b>(366)</b>	<b>(375)</b>
<b>Net assets</b>		<b>1,752,112</b>	<b>1,657,384</b>
<b>Capital and reserves</b>			
Called up share capital	16	1,000	1,000
Investment revaluation reserve	17	1,064,463	1,038,502
Investment property revaluation reserve	17	44,026	5,713
Profit and loss account	17	642,623	612,169
<b>Total shareholders' funds</b>	18	<b>1,752,112</b>	<b>1,657,384</b>

The financial statements set out on pages 7 to 28 were approved by the board of directors on 31 March 2016 and were signed on its behalf by:



J J Mangan  
Director

Company registered number: 06004360

# Sorrento Holdings Limited

## Consolidated cash flow statement for the year ended 30 June 2015

	Notes	2015 £	2014 £
<b>Reconciliation of operating profit to net cash inflow from operating activities:</b>			
Operating profit		238,123	493,781
Depreciation of tangible fixed assets		66,733	58,396
Profit on sale of fixed assets		-	(23,605)
Increase in debtors		(400,338)	(111,524)
Increase/(decrease) in creditors		512,425	(279,429)
<b>Net cash inflow from operating activities</b>		<b>416,943</b>	<b>137,619</b>
<b>Cash flow statement:</b>			
Net cash inflow from operating activities		416,943	137,619
Net cash outflow from returns on investments and servicing of finance	20	(22,900)	(24,941)
Taxation		(111,387)	(96,438)
Net cash (outflow)/inflow from capital expenditure and financial investment	20	(63,112)	21,329
Equity dividends paid		-	-
Net cash outflow from financing	20	(152,050)	(175,618)
<b>Increase/(decrease) in cash</b>		<b>67,494</b>	<b>(138,049)</b>
<b>Reconciliation of net cash flow to movement in net debt:</b>			
Increase / (decrease) in cash in the year	21	67,494	(138,049)
Cash flow from decrease in debt	21	152,050	175,618
<b>Change in net debt</b>	<b>21</b>	<b>219,544</b>	<b>37,569</b>
Net debt at 1 July	21	(645,126)	(682,695)
<b>Net debt at 30 June</b>	<b>21</b>	<b>(425,582)</b>	<b>(645,126)</b>

# Sorrento Holdings Limited

## Notes to the financial statements for the year ended 30 June 2015

### 1 Accounting policies

#### Basis of preparation

These financial statements have been prepared under the historic cost convention and in accordance with applicable accounting standards in the United Kingdom and the Companies Act 2006. Accounting policies have been consistently applied.

The financial statements have also been prepared on a going concern basis after making appropriate enquiries, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

The principal accounting policies of the group are set out below:

#### Basis of consolidation

The consolidated financial statements comprise the audited financial statements of the company and its subsidiary undertaking as at 30 June 2015. Where subsidiaries are acquired or disposed of during the year, their results are included in the group financial statements from/to the date of acquisition/disposal using the acquisition method of accounting. Intragroup balances and any unrealised gains or losses or income and expenses arising from intragroup transactions are eliminated in preparing the consolidated financial statements.

A separate profit and loss account for the parent company has not been presented as permitted by section 408 of the Companies Act 2006. The profit for the financial year of the parent company was £30,454 (2014: £101,178).

#### Turnover

Turnover represents the amount derived from the sale of logistics services falling within the group's principal activity, excluding value added tax. Revenue is recognised when the service is provided.

#### Tangible fixed assets and depreciation

Tangible fixed assets are shown in the balance sheet at cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its current working condition. Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets on a straight line basis over their expected useful lives or, if held under a finance lease, over the lease term, whichever is shorter. The rates generally applicable are:

Freehold property	-	2% on cost
Plant and machinery	-	25% on cost
Fixtures and fittings	-	15% on reducing balance
Computer equipment	-	50% in the year of acquisition and then 20% straight line thereafter
Motor Vehicles	-	25% on cost

# **Sorrento Holdings Limited**

## **Notes to the financial statements for the year ended 30 June 2015 (continued)**

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

#### **Investment property**

In accordance with SSAP 19, investment properties are revalued annually and the aggregate surplus or deficit is transferred to the revaluation reserve, except where a deficit on an individual investment property is expected to be permanent in which case it is charged (or credited where a deficit is reversed) to the profit and loss account in the year. No depreciation is provided in respect of investment properties.

The Companies Act 2006 requires all properties to be depreciated. However this requirement conflicts with the generally accepted accounting principle set out in SSAP 19. The directors consider that, because these properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view and that it is necessary to adopt SSAP 19 in order to give a true and fair view.

#### **Investments**

The company carries its investments in subsidiary undertakings at underlying net asset value. The original cost of the investments is adjusted for the movement in the underlying net assets (net of minority interests) applicable to the investments since their date of acquisition with an adjustment to the company's revaluation reserve.

Any reduction in the value of a subsidiary to below its acquisition cost is written off to the profit and loss account unless the fall is believed to be of a temporary nature in which case it is debited to the revaluation reserve.

#### **Taxation including deferred taxation**

Corporation tax payable is provided on taxable profits at the current rate.

In accordance with FRS 19 deferred tax is provided in respect of all timing differences that have originated but not reversed at the balance sheet date that may give rise to an obligation to pay more or less tax in the future. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured on a non-discounted basis using rates of tax that would apply when the timing differences are expected to reverse and based on rates that have been enacted or substantively enacted by the balance sheet date.

#### **Foreign currency**

Transactions in foreign currencies are translated at the exchange rate ruling at the date of transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

#### **Leases**

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

# Sorrento Holdings Limited

## Notes to the financial statements for the year ended 30 June 2015 (continued)

### 1 Accounting policies (continued)

#### Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of the financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividend and distributions relating to equity instruments are debited directly to equity.

#### Employer financed retirement benefit scheme

The group has established an employer financed retirement benefit scheme for the benefit of its officers, employees and their wider families, the Corporate Solutions (Logistics) Limited Employer Financed Retirement Benefit Scheme ("The Scheme").

In accordance with UITF abstract 32 "Employee Benefit Trusts and other intermediate payment arrangements" the group does not include the assets and liabilities of The Scheme on its balance sheet to the extent that it considers that it will not retain any economic benefit from the assets of The Scheme and will not have control of the rights or other access to those present economic benefits.

### 2 Turnover

The turnover is attributed to the principal activity of the group.

An analysis of turnover by geographical market is given below:

	2015	2014
	£	£
United Kingdom	16,114,604	11,802,936
Europe	135,881	31,248
<b>Total</b>	<b>16,250,485</b>	<b>11,834,184</b>



# Sorrento Holdings Limited

## Notes to the financial statements for the year ended 30 June 2015 (continued)

### 3 Operating profit

The operating profit is stated after charging:

	2015	2014
	£	£
Depreciation on tangible fixed assets:		
- owned by the group	66,733	58,396
Audit fee – parent company and consolidation	1,500	1,500
Audit fee - subsidiary	12,400	12,000
Auditors' remuneration – other services :		
- Services relating to taxation	4,500	4,500
Operating lease rentals:		
- Plant and machinery	1,398,886	337,529

### 4 Directors and employees

	2015	2014
	£	£
Wages and salaries	1,187,553	913,428
Social security costs	140,630	109,318
Other pension costs	163,430	112,493
	1,491,613	1,135,239

# Sorrento Holdings Limited

## Notes to the financial statements for the year ended 30 June 2015 (continued)

### 4 Directors' and employees (continued)

The average monthly number of employees of the group during the year was:

	2015	2014
	Number	Number
Directors	4	4
Administration	19	15
	23	19

Remuneration in respect of directors was as follows:

	2015	2014
	£	£
Aggregate emoluments	824,725	633,735

During the year, no directors (2014: nil) participated in money purchase pension schemes.

The amounts set out above include remuneration in respect of the highest paid director as follows:

	2015	2014
	£	£
Aggregate emoluments	206,537	159,419

### 5 Interest receivable and similar income

	2015	2014
	£	£
Bank interest receivable	487	660

# Sorrento Holdings Limited

## Notes to the financial statements for the year ended 30 June 2015 (continued)

### 6 Interest payable and similar charges

	2015	2014
	£	£
Bank loan and overdraft interest	23,387	25,601
	23,387	25,601

### 7 Tax charge on profit on ordinary activities

a) The tax charge is based on the profit for the year and represents:

	2015	2014
	£	£
<b>UK corporation tax</b>		
Current tax charge on profit for the year	77,760	132,283
Adjustments in respect of prior years	1,603	(3,396)
<b>Total current tax</b>	<b>79,363</b>	<b>128,887</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	4,277	3,359
<b>Total deferred tax (note 15)</b>	<b>4,277</b>	<b>3,359</b>
<b>Tax charge on profit on ordinary activities</b>	<b>83,640</b>	<b>132,246</b>

## Sorrento Holdings Limited

### Notes to the financial statements for the year ended 30 June 2015 (continued)

#### 7 Tax charge on profit on ordinary activities (continued)

##### (b) Factors affecting tax charge for the year:

The amount of the tax charge for the year is higher (2014: higher) than the standard rate of corporation tax in the UK of 20.75% (2014: 22.50%). The differences are explained below.

	2015	2014
	£	£
Profit before taxation	146,525	468,840
Taxation at 20.75% (2014: 22.50%)	30,404	105,489
Effect of:		
Expenses not deductible for tax purposes	50,379	32,105
Income not taxable	-	(742)
Accelerated capital allowances	(1,317)	(8,383)
Movement in short term timing differences	(596)	9,972
Tax at marginal rates	(1,110)	(6,158)
Adjustments in respect of prior years	1,603	(3,396)
<b>Current tax charge for the year</b>	<b>79,363</b>	<b>128,887</b>

##### (c) Factors affecting future tax charge

There are no significant factors affecting future tax charge.

# Sorrento Holdings Limited

## Notes to the financial statements for the year ended 30 June 2015 (continued)

### 8 Tangible assets

	Freehold property	Plant and machinery	Fixtures and fittings	Motor Vehicles	Total
Group	£	£	£	£	£
<b>Cost</b>					
At 1 July 2014	709,178	540,851	2,809	16,695	1,269,533
Additions	-	63,112	-	-	63,112
Revaluations	(68,678)	-	-	-	(68,678)
<b>At 30 June 2015</b>	<b>640,500</b>	<b>603,963</b>	<b>2,809</b>	<b>16,695</b>	<b>1,263,967</b>
<b>Accumulated depreciation</b>					
At 1 July 2014	86,316	509,228	1,509	12,521	609,574
Charge for the year	14,184	48,180	195	4,174	66,733
<b>At 30 June 2015</b>	<b>100,500</b>	<b>557,408</b>	<b>1,704</b>	<b>16,695</b>	<b>676,307</b>
<b>Net book value</b>					
<b>At 30 June 2015</b>	<b>540,000</b>	<b>46,555</b>	<b>1,105</b>	<b>-</b>	<b>587,660</b>
At 30 June 2014	622,862	31,623	1,300	4,174	659,959

The freehold property is subject to a fixed charge (see note 14). The property at 6100 Birmingham Business Park, Solihull, was valued on an open market basis by Peter Browne FRICS of Burley Browne Chartered Surveyors at 30<sup>th</sup> June 2015.

# Sorrento Holdings Limited

## Notes to the financial statements for the year ended 30 June 2015 (continued)

### 8 Tangible assets (continued)

	Freehold property	Fixtures and fittings	Total
Company	£	£	£
<b>Cost</b>			
At 1 July 2014	709,178	2,809	711,987
Revaluations	(68,678)	-	(68,678)
<b>At 30 June 2015</b>	<b>640,500</b>	<b>2,809</b>	<b>643,309</b>
<b>Accumulated Depreciation</b>			
At 1 July 2014	86,316	1,509	87,825
Charge for the year	14,184	195	14,379
<b>At 30 June 2015</b>	<b>100,500</b>	<b>1,704</b>	<b>102,204</b>
<b>Net book value</b>			
<b>At 30 June 2015</b>	<b>540,000</b>	<b>1,105</b>	<b>541,105</b>
At 30 June 2014	622,862	1,300	624,162

The freehold property is subject to a fixed charge (see note 14).

### 9 Investments

Company	Unlisted investments
Carrying Value	£
At 1 July 2014	1,047,404
Revaluations	25,961
<b>At 30 June 2015</b>	<b>1,073,365</b>

If fixed asset investments had not been revalued they would have been included at a historical cost of £8,903 (2014: £8,903).

# Sorrento Holdings Limited

## Notes to the financial statements for the year ended 30 June 2015 (continued)

### 9 Investments (continued)

The company's investments at the balance sheet date in the share capital of companies include the following:

Name of undertaking	Country of incorporation	Nature of business	Description of shares held	Proportion of nominal value of issued shares held by:	
				Group %	Company %
Corporate Solutions (Logistics) Limited	England	Haulage contractors	'A' Ordinary Shares	100	100

Included within the aggregate share capital and reserves of Corporate Solutions (Logistics) Limited are ordinary "B" shares with a nominal value of £43,000. These shares do not carry any voting rights and represent 20% of the subsidiary company's ordinary share capital. The company does not have any interest in these shares.

### 10 Investment Property

#### Group

Cost and Net Book Value	Group		Company	
	2015 £	2014 £	2015 £	2014 £
At 1 July 2014	1,479,249	1,479,249	1,479,249	1,479,249
Revaluations	38,313	-	38,313	-
At 30 June 2015	1,517,562	1,479,249	1,517,562	1,479,249

The above investment property balance includes both freehold and long leasehold property.

The property at 6120 Birmingham Business Park, Solihull, was valued on an open market basis by Peter Browne FRICS of Burley Browne Chartered Surveyors on 30<sup>th</sup> June 2015. The historic cost of the investment properties is £1,473,536 (2014 £1,473,536).

The investment properties are subject to a fixed charge (see note 14).

# Sorrento Holdings Limited

## Notes to the financial statements for the year ended 30 June 2015 (continued)

### 11 Debtors

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
<b>Due within one year:</b>				
Trade debtors	2,806,151	2,485,747	353	-
Prepayments and accrued income	357,018	240,192	6,853	28,379
Other taxation	44,072	80,589	-	-
Deferred tax asset (see note 15)	442	4,719	-	-
	<b>3,207,683</b>	<b>2,811,247</b>	<b>7,206</b>	<b>28,379</b>

### 12 Creditors: amounts falling due within one year

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Bank loans and overdrafts (see note 14)	159,488	179,471	159,488	179,471
Trade creditors	2,261,531	1,834,512	26,621	24,323
Amounts owed to group undertakings	-	-	633,574	633,574
Corporation tax	252,240	284,263	31,807	30,545
Other taxation and social security	60,796	34,436	98,598	74,742
Accruals and deferred income	387,501	328,081	85,273	83,129
	<b>3,121,556</b>	<b>2,660,763</b>	<b>1,035,361</b>	<b>1,025,784</b>

Amounts owed to group undertakings are unsecured, interest free and are repayable on demand.



# Sorrento Holdings Limited

## Notes to the financial statements for the year ended 30 June 2015 (continued)

### 13 Creditors: amounts falling due after more than one year

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Bank loans (see note 14)	403,677	535,744	403,677	535,744

### 14 Bank loans and overdrafts

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
<b>Bank loans:</b>				
Due within one year	159,488	179,471	159,488	179,471
Between one and two years	79,234	160,993	79,234	160,993
Between two and five years	324,443	374,751	324,443	374,751
	<b>563,165</b>	<b>715,215</b>	<b>563,165</b>	<b>715,215</b>

Bank loans of £563,165 (2014: £715,215) are secured by a fixed charge over the freehold and investment properties, repayable over a 5 year period and bear interest at rates of 3.25% and 2.5% above base rate.

# Sorrento Holdings Limited

## Notes to the financial statements for the year ended 30 June 2015 (continued)

### 15 Provisions for liabilities and charges

#### Group

	Group		Company	
Deferred tax	2015	2014	2015	2014
	£	£	£	£
At 1 July	(4,719)	(8,078)	375	421
Profit and loss (credit)/charge	4,277	3,359	(9)	(46)
At 30 June	(442)	(4,719)	366	375

Deferred tax is analysed as follows:

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Accelerated capital allowances	(442)	(4,719)	366	375
At 30 June	(442)	(4,719)	366	375

The group has not recognised deferred tax assets of £150,000 (2014: £120,000) in respect of other temporary timing differences to the extent that the realisation of the related tax benefit through future taxable profits is not yet probable.

### 16 Called up share capital

	2015	2014
	£	£
Allotted and fully paid		
1,000 Ordinary shares of £1 each	1,000	1,000

# Sorrento Holdings Limited

## Notes to the financial statements for the year ended 30 June 2015 (continued)

### 17 Reserves

Group	Profit and loss account	Investment property revaluation reserve	Total
	£	£	£
At 1 July 2014	1,650,671	5,713	1,656,384
Profit for the financial year	56,415	38,313	94,728
At 30 June 2015	1,707,086	44,026	1,751,112

Company	Profit and loss account	Investment revaluation reserve	Investment property revaluation reserve	Total
	£	£	£	£
At 1 June 2014	612,169	1,038,502	5,713	1,656,384
Profit for the financial year	30,454	-	-	30,454
Investment revaluations	-	25,961	38,313	64,274
At 30 June 2015	642,623	1,064,463	44,026	1,751,112

# Sorrento Holdings Limited

## Notes to the financial statements for the year ended 30 June 2015 (continued)

### 18 Reconciliation of movements in shareholders' funds

Group	2015	2014
	£	£
Profit for the financial year	56,415	289,511
Investment property revaluation	38,313	-
<b>Net additions to shareholders funds</b>	<b>94,728</b>	<b>289,511</b>
Opening shareholders funds	1,657,384	1,367,873
<b>Shareholders' funds at 30 June</b>	<b>1,752,112</b>	<b>1,657,384</b>

Company	2015	2014
	£	£
Profit for the financial year	30,454	101,178
Investment property revaluation	38,313	-
Investment revaluation	25,961	188,333
<b>Net additions to shareholders funds</b>	<b>94,728</b>	<b>289,511</b>
Opening shareholders funds	1,657,384	1,367,873
<b>Shareholders' funds at 30 June</b>	<b>1,752,112</b>	<b>1,657,384</b>

### 19 Minority interests

The minority interest is calculated as follows:	2015	2014
<b>Shareholders funds:</b>	<b>£</b>	<b>£</b>
At 1 July 2014	166,653	119,570
Profit for the financial year	6,490	47,083
<b>At 30 June 2015</b>	<b>173,143</b>	<b>166,653</b>

# Sorrento Holdings Limited

## Notes to the financial statements for the year ended 30 June 2015 (continued)

### 20 Analysis of gross cash flows

	2015	2014
	£	£
<b>Returns on investments and servicing of finance</b>		
Interest received	487	660
Interest paid	(23,387)	(25,601)
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b>(22,900)</b>	<b>(24,941)</b>
 <b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(63,112)	(38,681)
Proceeds on sale of fixed assets	-	60,010
<b>Net cash (outflow)/ inflow for capital expenditure and financial investment</b>	<b>(63,112)</b>	<b>21,329</b>
 <b>Financing</b>		
Repayment of borrowings	(152,050)	(175,618)
<b>Net cash outflow from financing</b>	<b>(152,050)</b>	<b>(175,618)</b>

# Sorrento Holdings Limited

## Notes to the financial statements for the year ended 30 June 2015 (continued)

### 21 Analysis of changes in net debt

	At 30 June 2014	Cash flows	Non cash changes	At 30 June 2015
	£	£	£	£
Cash at bank and in hand	70,089	67,494	-	137,583
Debt falling due within one year	(179,471)	19,983	-	(159,488)
Debt falling due after one year	(535,744)	132,067	-	(403,677)
Total	(645,126)	219,544	-	(425,582)

### 22 Commitments under leasing arrangements

#### Group

#### Operating leases

As at 30 June 2015, the group had annual commitments under non-cancellable operating leases for assets other than land and buildings expiring as follows:

	Operating leases	
	2015	2014
	£	£
Operating leases which expire:		
Within one year	8,320	3,704
Within 2 to 5 years	1,403,314	473,918
	1,411,634	477,622

#### Company

At 30 June 2015, the company had no annual non-cancellable commitments under operating leases.

## **Sorrento Holdings Limited**

### **Notes to the financial statements for the year ended 30 June 2015 (continued)**

#### **23 Related party transactions**

##### **Transactions with directors:**

There were no transactions with the Directors in the year (2014: £nil) other than as disclosed in note 4.

#### **24 Controlling parties**

The company and group are wholly owned and controlled by the directors with no one ultimate controlling party.