

Sorrento Holdings Limited

Annual report and financial statements

for the year ended 30 June 2016

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 2016**

### **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

# **Sorrento Holdings Limited**

## **Directors' report for the year ended 30 June 2016**

The Directors present their report and financial statements for the year ended 30 June 2016.

### **PRINCIPAL ACTIVITIES**

The Company ceased acting as a holding company from July 2015 and transferred its investments to its new parent undertaking. The company continues to hold investments in property and receive rent therefrom.

### **FUTURE DEVELOPMENTS**

The outlook for 2016 is stable with ongoing rentals assured.

### **DIVIDENDS**

The directors have not paid any dividends in the year (2015: nil).

### **DIRECTORS**

The directors set out below have held office during the whole of the period from 1 July 2015 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 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- \* select suitable accounting policies and then apply them consistently;
- \* make 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **Sorrento Holdings Limited**

## **Directors' report**

**for the year ended 30 June 2016 (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.

### **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.

### **AUDITOR**

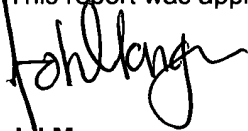
Mazars LLP will continue in office in accordance with CA 2006 s487(2).

### **SMALL COMPANIES NOTE**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

### **APPROVAL**

This report was approved by the board on 27 March 2017 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 financial statements of Sorrento Holdings Limited for the year ended 30 June 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity 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), including FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

### Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 Company's affairs as at 30 June 2016 and of the Company's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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

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

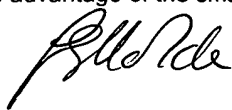
### Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report.

Ian Holder (Senior Statutory Auditor)  
For and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor  
45 Church Street, Birmingham B3 2RT



28 March 2017

# Sorrento Holdings Limited

## Statement of comprehensive income for the year ended 30 June 2016

		2016	2015
	Notes	£	£
<b>Turnover</b>	3	<b>212,673</b>	217,946
Cost of sales		(23,383)	(23,304)
<b>Gross profit</b>		<b>189,290</b>	194,642
Administrative expenses		(893,042)	(759,785)
Other operating income		826,718	717,000
<b>Operating profit</b>	4	<b>122,966</b>	151,857
Loss on revaluation of tangible fixed assets		-	(68,678)
Interest receivable and similar income		23	7
Interest payable and similar charges	6	(8,439)	(19,888)
<b>Profit on ordinary activities before taxation</b>		<b>114,550</b>	63,298
Tax on profit on ordinary activities	7	(25,780)	(32,844)
<b>Retained profit for the financial year</b>		<b>88,770</b>	30,454

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

There was no other comprehensive income for 2016 (2015: £Nil).

The notes on pages 8 to 17 form part of these financial statements.

# Sorrento Holdings Limited

## Statement of financial position

as at 30 June 2016

	Notes	2016 £	2015 £
<b>Fixed assets</b>			
Tangible assets	8	526,755	541,105
Investments	9	-	1,073,365
Investment property	10	1,517,562	1,517,562
		<b>2,044,317</b>	<b>3,132,032</b>
<b>Current assets</b>			
Debtors	11	47,543	7,206
Cash at bank and in hand		40,245	52,278
		<b>87,788</b>	<b>59,484</b>
<b>Creditors: amounts falling due within one year</b>	12	<b>(1,040,688)</b>	<b>(1,035,361)</b>
<b>Net current liabilities</b>		<b>(952,900)</b>	<b>(975,877)</b>
<b>Total assets less current liabilities</b>		<b>1,091,417</b>	<b>2,156,155</b>
<b>Creditors: amounts falling due after more than one year</b>	13	<b>(323,534)</b>	<b>(403,677)</b>
<b>Provisions for liabilities</b>	15	<b>(366)</b>	<b>(366)</b>
<b>Net assets</b>		<b>767,517</b>	<b>1,752,112</b>
<b>Capital and reserves</b>			
Called up share capital	16	1,000	1,000
Investment revaluation reserve		-	1,064,463
Investment property revaluation reserve		44,026	44,026
Profit and loss account		722,491	642,623
<b>Total shareholders' funds</b>		<b>767,517</b>	<b>1,752,112</b>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements set out on pages 5 to 17 were approved by the board of directors on 27 March 2017 and were signed on its behalf by:

  
J J Mangan  
Director

Company registered number: 06004360

# Sorrento Holdings Limited

## Statement of changes in equity as at 30 June 2016

	Share capital £	Investment revaluation reserve	Investment property revaluation £	Profit and loss account £	Total £
<b>At 1 July 2014</b>	<b>1,000</b>	<b>1,064,463</b>	<b>44,026</b>	<b>612,169</b>	<b>1,721,658</b>
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	30,454	30,454
<b>Other comprehensive income for the year</b>	-	-	-	-	-
<b>At 30 June 2015</b>	<b>1,000</b>		<b>44,026</b>	<b>642,623</b>	<b>1,752,112</b>
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	88,770	88,770
<b>Other comprehensive income for the year</b>					
Transfer of investment to group undertaking	-	(1,064,463)	-	(8,902)	(1,073,365)
<b>At 30 June 2016</b>	<b>1,000</b>	<b>-</b>	<b>44,026</b>	<b>722,491</b>	<b>767,517</b>

The notes on pages 8 to 16 form part of these financial statements.

# **Sorrento Holdings Limited**

## **Notes to the financial statements for the year ended 30 June 2016**

### **General information**

Sorrento Holdings Limited is a private company limited by shares, incorporated in England and Wales. Its registered office is 6100 Knights Court, Solihull Parkway, Birmingham Business Park, Solihull, West Midlands, B37 7WY. The principal activity of the company is activity is to hold investments in property. The company operates within the UK.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

### **1 Principal accounting policies**

#### **Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 19.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

#### **Financial reporting standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Salerno Holdings Limited as at 30 June 2016 and these financial statements may be obtained from the registered office.

#### **Turnover**

Turnover represents the amount derived from the rental income of the company's properties, excluding value added tax.

# **Sorrento Holdings Limited**

## **Notes to the financial statements for the year ended 30 June 2016**

### **1 Principal accounting policies (continued)**

#### **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
Fixtures and fittings	-	15% on reducing balance

#### **Investment property**

Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in the income statement. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the income statement.

#### **Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

#### **Taxation**

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

# Sorrento Holdings Limited

## Notes to the financial statements for the year ended 30 June 2016

### 1 Principal accounting policies (continued)

#### Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

### 2 Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements in conformity with generally accepted accounting principles requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results in the future could differ from those estimates. In this regards, the Directors believe that there are no critical accounting policies where judgements or estimations are necessarily applied in the financial statements.

### 3 Turnover

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

An analysis of turnover by geographical market is given below:

	2016	2015
	£	£
United Kingdom	212,673	217,946

### 4 Operating profit

The operating profit is stated after charging:	2015	2014
	£	£
Auditors' remuneration:		
- Audit services	1,250	1,200
- Taxation services	775	750
Depreciation of owned tangible fixed assets	14,350	14,379

# Sorrento Holdings Limited

## Notes to the financial statements for the year ended 30 June 2016

### 5 Directors and employees

The Directors were remunerated by the Company until 31 August 2015 and thereafter remunerated by Logistics Personnel Management Limited who charged the Company for directors' services. Total staff costs incurred and recharged to the Company in the year are disclosed below:

	2016	2015
	£	£
Wages and salaries	742,050	620,950
Social security costs	99,183	84,885
	841,233	705,835

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

	2016	2015
	Number	Number
Directors	4	4

Remuneration in respect of directors was as follows:

	2016	2015
	£	£
Aggregate emoluments	811,770	803,713

During the year, no directors (2015: nil) participated in money purchase pension schemes. The amounts set out above include remuneration in respect of the highest paid director as follows:

	2016	2015
	£	£
Aggregate emoluments	238,394	206,537

### 6 Interest payable and similar charges

	2016	2015
	£	£
Bank loan and overdraft interest	8,439	19,888

# Sorrento Holdings Limited

## Notes to the financial statements for the year ended 30 June 2016

### 7 Tax charge on profit on ordinary activities

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

	2016 £	2015 £
<b>UK corporation tax</b>		
Current tax charge on profit for the year	25,780	31,807
Adjustments in respect of prior years	-	1,046
<b>Total current tax</b>	<b>25,780</b>	<b>32,853</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	(9)
<b>Total deferred tax (note 15)</b>	<b>-</b>	<b>(9)</b>
<b>Tax charge on profit on ordinary activities</b>	<b>25,780</b>	<b>32,844</b>

(b) Factors affecting tax charge for the year:

The amount of the tax charge for the year is higher (2015: higher) than the standard rate of corporation tax in the UK of 20.00% (2015: 20.75%). The differences are explained below.

	2016 £	2015 £
Profit before taxation	114,550	63,298
Taxation at 20.00% (2015: 20.75%)	22,910	13,134
Effect of:		
Expenses not deductible for tax purposes	-	16,789
Movement in short term timing differences	2,870	2,985
Tax at marginal rates	-	(1,110)
Adjustments in respect of prior years	-	1,046
<b>Current tax charge for the year</b>	<b>25,780</b>	<b>32,844</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 2016

### 8 Tangible assets

	Freehold property	Fixtures and fittings	Total
	£	£	£
<b>Cost</b>			
At 1 July 2015	640,500	2,809	643,309
Revaluations	-	-	-
<b>At 30 June 2016</b>	<b>640,500</b>	<b>2,809</b>	<b>643,309</b>
<b>Accumulated depreciation</b>			
At 1 July 2015	100,500	1,704	102,204
Charge for the year	14,184	166	14,350
<b>At 30 June 2016</b>	<b>114,684</b>	<b>1,870</b>	<b>116,554</b>
<b>Net book value</b>			
<b>At 30 June 2016</b>	<b>525,816</b>	<b>939</b>	<b>526,755</b>
At 30 June 2015	540,000	1,105	541,105

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

### 9 Investments

	Unlisted investments
Carrying value	£
At 1 July 2015	1,073,365
Transfer to group undertaking	(1,073,365)
<b>At 30 June 2016</b>	<b>-</b>

# Sorrento Holdings Limited

## Notes to the financial statements for the year ended 30 June 2016

### 10 Investment property

	2016	2015
	£	£
<b>Valuation</b>		
At 1 July 2015	1,517,562	1,479,249
Revaluations	-	38,313
<b>At 30 June 2016</b>	<b>1,517,562</b>	<b>1,517,562</b>

The above investment property balance includes both freehold and long leasehold property. The investment properties are subject to a fixed charge (see note 14). The directors are satisfied with the carrying value of the investment properties and believe this to be representative of market value.

### 11 Debtors

	2016	2015
	£	£
<b>Due within one year:</b>		
Trade debtors	41,384	353
Prepayments and accrued income	6,159	6,853
	<b>47,543</b>	<b>7,206</b>

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

	2016	2015
	£	£
Bank loans and overdrafts (see note 14)	79,261	159,488
Trade creditors	60,423	26,621
Amounts owed to group undertakings	633,574	633,574
Corporation tax	25,780	31,807
Other taxation and social security	18,844	98,598
Accruals and deferred income	222,806	85,273
	<b>1,040,688</b>	<b>1,035,361</b>

## **Sorrento Holdings Limited**

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 2016

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

	2016	2015
	£	£
Bank loans (see note 14)	323,534	403,677

### 14 Bank loans and overdrafts

	2016	2015
	£	£
<b>Bank loans:</b>		
Due within one year	79,261	159,488
Between one and two years	81,666	79,234
Between two and five years	241,868	324,443
	402,795	563,165

Bank loan of £402,795 (2015: £563,165) is secured by a fixed charge over the investment properties, repayable over a 5 year period and bears interest at the rate of 2.5% above base rate.

### 15 Provisions for liabilities and charges

	2016	2015
	£	£
<b>Deferred tax</b>		
<b>At 1 July</b>	366	375
Profit and loss (credit)/charge	-	(9)
<b>At 30 June</b>	366	366

Deferred tax is analysed as follows:

	2016	2015
	£	£
Accelerated capital allowances	366	366
<b>At 30 June</b>	366	366

# Sorrento Holdings Limited

## Notes to the financial statements for the year ended 30 June 2016

### 16 Called up share capital

	2016	2015
	£	£
<b>Allotted and fully paid</b>		
1,000 Ordinary shares of £1 each	1,000	1,000

### 17 Commitments under leasing arrangements

At 30 June 2016, the company had no annual non-cancellable commitments under operating leases.

### 18 Ultimate parent undertaking and controlling party

The immediate parent undertaking is Salerno Holdings Limited and is the parent undertaking of the smallest and largest group to consolidate the results of these financial statements. Copies of Salerno Holdings Limited consolidated financial statements can be obtained from 6100, Knights Court, Birmingham Business Park, Solihull, West Midlands, B37 7WY.

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

### 19 First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS102 and have not impacted on equity or profit or loss.