

Sorrento Holdings Limited

Annual report and consolidated financial  
statements

for the year ended 30 June 2010

Registered number 06004360

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# **Sorrento Holdings Limited**

## **Annual report and consolidated financial statements for the year ended 30 June 2010**

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# **Sorrento Holdings Limited**

## **Directors and advisors for the year ended 30 June 2010**

### **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 auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Cornwall Court  
19 Cornwall Street  
Birmingham  
B3 2DT

### **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**

## **Directors' report for the year ended 30 June 2010**

The directors present their annual report together with the audited consolidated financial statements for the year ended 30 June 2010

### **Principal activities**

The company's principal activity is that of haulage contractors

### **Business review and key performance indicators**

The company has continued to provide a high level of service and dedication to its customers and has developed a new website which provides useful information to existing and potential new customers

Although 2010 has been a difficult year for the logistics industry, the company has continued to grow in strength and has maintained a close relationship with its major customer. The company continues to focus on increasing its customer base through expansion of the company's services through marketing and advertising

The company has also invested resources in investment properties for re-development and subsequent rental. Rental income has been generated in the current financial year relating to these properties and recorded as other operating income. Adequate finance will be available to take advantage of further business opportunities and the directors consider the state of affairs to be satisfactory

The directors confirm that, after making appropriate enquiries, they have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements

The directors monitor the following key performance indicators, turnover, gross profit margin and net profit. The group's turnover has increased by 15.55% to £10,569,570 (2009: £9,146,981). Gross margin has increased slightly from 15.5% to 17.3% with the total gross profit amounting to £1,827,815 (2009: £1,416,889)

### **Results and dividends**

There was a profit for the financial year after taxation amounting to £442,842 (2009: £307,441). The directors have paid dividends totalling £258,000 in the year (2009: £200,000)

### **Future developments**

The directors aim to maintain management policies which have resulted in the company's substantial growth in recent years. They consider the growth to continue through greater efficiency and new product development

# **Sorrento Holdings Limited**

## **Directors' report for the year ended 30 June 2010 (continued)**

### **Directors**

The directors who served during the year and up to the date of signing of the financial statements are set out below

J J Mangan  
B M Croghan  
M Ponsonby  
D J Ponsonby

### **Creditors payment policy**

It is the company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the company and its suppliers, provided that all trading terms and conditions have been complied with

At 30 June 2010, the company had an average of 79 days (2009 75 days) purchases outstanding in trade creditors

### **Financial risk management objectives and policies**

The company uses various financial instruments including directors' loan accounts, cash and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations. The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below

All transactions in derivatives are undertaken to manage the risks arising from underlying business activities and no transactions of a speculative nature are undertaken. The main risks arising from the company's financial instruments are market risks, price risks, liquidity risks and credit risks. The directors review and agree policies for managing each of these risks and they are summarised below. The policies have remained unchanged from previous years

#### ***Market risk***

A key risk to the company which could result in a material impact on the results of the company is the loss of its major customer. The board are managing the risk by investing significant resources in maintenance of deep, multi-level relationships with the customer in order to drive value and minimise risk for both parties

#### ***Price risk***

The company's exposure to price risk consists mainly of movements in the underlying haulage and transport costs. The directors keep under review the price fluctuations and agree quarterly prices in advance with customers and suppliers

#### ***Liquidity risk***

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short-term flexibility is achieved by overdraft facilities

# **Sorrento Holdings Limited**

## **Directors' report for the year ended 30 June 2010 (continued)**

### ***Credit risk***

The company's principal financial assets are trade debtors. The principal credit risk arises therefore from its 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 by the credit controller on a regular basis in conjunction with debt ageing and collection history.

### **Directors' responsibilities statement**

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 the directors have prepared the group and parent company 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 group and the company and of 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 judgements 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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with Section 418 of the Companies Act 2006, each director confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

# **Sorrento Holdings Limited**

## **Directors' report for the year ended 30 June 2010 (continued)**

### **Independent auditors**

Following an ordinary resolution passed by the board, Fields resigned as auditors of the company. A resolution to appoint PricewaterhouseCoopers LLP as auditors of the company was also agreed.

On behalf of the board

A handwritten signature in black ink, appearing to read 'J J Mangan', with a horizontal line drawn through it.

J J Mangan  
Director  
30 March 2011

## **Independent auditors' 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 2010 which comprise the consolidated profit and loss account, the consolidated and 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 4, 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 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### **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 2010 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 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.



Stephen Snook (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Birmingham  
30 March 2011



# Sorrento Holdings Limited

## Consolidated profit and loss account for the year ended 30 June 2010

		2010	2009
	Notes	£	£
<b>Turnover</b>	2	<b>10,569,570</b>	9,146,981
Cost of sales		<b>(8,741,755)</b>	(7,730,092)
<b>Gross profit</b>		<b>1,827,815</b>	1,416,889
Administrative expenses		<b>(1,073,429)</b>	(947,425)
Other operating income		<b>8,750</b>	-
<b>Operating profit</b>	3	<b>763,136</b>	469,464
Interest receivable and similar income	5	<b>478</b>	8,666
Interest payable and similar charges	6	<b>(33,093)</b>	(35,453)
<b>Profit on ordinary activities before taxation</b>		<b>730,521</b>	442,677
Tax charge on profit on ordinary activities	7	<b>(197,619)</b>	(116,236)
<b>Profit on ordinary activities after taxation</b>		<b>532,902</b>	326,441
Minority interests - equity	20	<b>(90,060)</b>	(19,000)
<b>Profit for the financial year</b>	18	<b>442,842</b>	307,441

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 period stated above and their historical cost equivalents

# Sorrento Holdings Limited

## Consolidated balance sheet as at 30 June 2010

	Notes	2010 £	2009 £
<b>Fixed assets</b>			
Tangible fixed assets	9	823,102	799,370
Investment property	11	303,950	298,237
		<b>1,127,052</b>	<b>1,097,607</b>
<b>Current assets</b>			
Debtors	12	2,236,944	1,803,775
Cash at bank and in hand		623,399	394,965
		<b>2,860,343</b>	<b>2,198,740</b>
<b>Creditors: amounts falling due within one year</b>	13	<b>(2,475,962)</b>	<b>(2,032,536)</b>
<b>Net current assets</b>		<b>384,381</b>	<b>166,204</b>
<b>Total assets less current liabilities</b>		<b>1,511,433</b>	<b>1,263,811</b>
<b>Creditors: amounts falling due after more than one year</b>	14	<b>(501,683)</b>	<b>(510,962)</b>
<b>Provisions for liabilities and charges</b>	16	<b>(6,236)</b>	<b>(8,450)</b>
<b>Net assets</b>		<b>1,003,514</b>	<b>744,399</b>
<b>Capital and reserves</b>			
Called up share capital	17	1,000	1,000
Revaluation reserve	18	5,713	-
Profit and loss reserve	18	844,741	659,899
<b>Total shareholders' funds</b>	19	<b>851,454</b>	<b>660,899</b>
Minority interests	20	152,060	83,500
<b>Capital employed</b>		<b>1,003,514</b>	<b>744,399</b>

The financial statements set out on pages 7 to 28 were approved by the board of directors on 30 March 2011 and were signed on its behalf by



J J Mangan  
Directors  
30 March 2011

# Sorrento Holdings Limited

## Company balance sheet as at 30 June 2010

	Notes	2010 £	2009 £
<b>Fixed assets</b>			
Tangible fixed assets	9	682,089	695,815
Investments	10	731,033	628,783
Investment property	11	303,950	298,237
		<b>1,717,072</b>	<b>1,622,835</b>
<b>Current assets</b>			
Debtors	12	24,329	15,291
Cash at bank and in hand		5,296	2,996
		<b>29,625</b>	<b>18,287</b>
<b>Creditors: amounts falling due within one year</b>	13	<b>(393,152)</b>	<b>(67,425)</b>
<b>Net current liabilities</b>		<b>(363,527)</b>	<b>(49,138)</b>
<b>Total assets less current liabilities</b>		<b>1,353,545</b>	<b>1,573,697</b>
<b>Creditors: amounts falling due after more than one year</b>	14	<b>(501,683)</b>	<b>(912,421)</b>
<b>Provisions for liabilities and charges</b>	16	<b>(408)</b>	<b>(379)</b>
<b>Net assets</b>		<b>851,454</b>	<b>660,897</b>
<b>Capital and reserves</b>			
Called up share capital	17	1,000	1,000
Investment revaluation reserve	18	722,130	619,880
Investment property revaluation reserve	18	5,713	-
Profit and loss account	18	122,611	40,017
<b>Total shareholders' funds</b>	19	<b>851,454</b>	<b>660,897</b>

The financial statements set out on pages 7 to 28 were approved by the board of directors on 30 March 2011 and were signed on its behalf by

Company registered number 06004360



J J Mangan  
Director  
30 March 2011

# Sorrento Holdings Limited

## Consolidated cash flow statement for the year ended 30 June 2010

	Notes	2010 £	2009 £
<b>Reconciliation of operating profit to net cash inflow from operating activities:</b>			
Operating profit		763,136	469,464
Depreciation of tangible fixed assets		134,842	47,599
Loss on sale of fixed assets		-	5,527
(Increase)/decrease in debtors		(433,169)	718,198
Increase/(decrease) in creditors		363,343	(524,850)
Foreign exchange		-	-
<b>Net cash inflow from operating activities</b>		<b>828,152</b>	<b>715,938</b>
<b>Cash flow statement:</b>			
Net cash inflow from operating activities		828,152	715,938
Net cash outflow from returns on investments and servicing of finance	21	(54,115)	(48,287)
Taxation		(120,237)	(100,073)
Net cash outflow from capital expenditure and financial investment	21	(158,574)	(312,359)
Equity dividends paid		(258,000)	(200,000)
Net cash (outflow)/inflow from financing		(9,279)	38,635
<b>Increase in cash</b>		<b>227,947</b>	<b>93,854</b>
<b>Reconciliation of net cash flow to movement in net debt:</b>			
Increase in cash in the year	22	227,947	93,854
Cash outflow from decrease in debt	22	9,279	9,055
Change in net debt	22	237,226	102,909
Net debt at 1 July	22	(125,433)	(228,342)
<b>Net funds/(debt) at 30 June</b>	<b>22</b>	<b>111,793</b>	<b>(125,433)</b>

# **Sorrento Holdings Limited**

## **Notes to the financial statements for the year ended 30 June 2010**

### **1 Accounting policies**

#### **Basis of preparation**

These financial statements have been prepared on the going concern basis, 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 principal accounting policies of the company 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 2010. Where subsidiaries are acquired or disposed of during the year, their results are included in the group accounts 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 prepared as permitted by section 408 of the Companies Act 2006. The profit for the financial year of the parent company was £340,594 (2009: £248,914).

#### **Turnover**

Turnover represents the amount derived from the sale of 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**

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

# **Sorrento Holdings Limited**

## **Notes to the financial statements for the year ended 30 June 2010 (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 period. 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 accounts for its investments in subsidiary undertakings by the equity method, whereby the original cost of the investments is adjusted for the movement in the underlying net assets 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 FRS19 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 2010 (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.

### 2 Turnover

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

An analysis of turnover by geographical market is given below.

	2010	2009
	£	£
United Kingdom	10,472,655	9,049,108
Europe	96,915	97,873
<b>Total</b>	<b>10,569,570</b>	<b>9,146,981</b>

# Sorrento Holdings Limited

## Notes to the financial statements for the year ended 30 June 2010 (continued)

### 3 Operating profit

The operating profit is stated after charging/(crediting)

	2010	2009
	£	£
Depreciation on tangible fixed assets		
- owned by the group	134,842	47,599
Audit fee	17,500	17,250
Auditors' remuneration – other services		
- Services relating to taxation	3,000	-
Operating lease rentals		
- Plant and machinery	30,960	22,363
- Other	-	-
Loss on disposal of fixed assets	-	5,527

### 4 Directors' and employees

	2010	2009
	£	£
Wages and salaries	866,001	820,719
Social security costs	95,149	99,938
	961,150	920,657



## Sorrento Holdings Limited

### Notes to the financial statements for the year ended 30 June 2010 (continued)

#### 4 Directors' and employees (continued)

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

	2010	2009
	Number	Number
Directors	4	4
Administration	14	14
	18	18

Remuneration in respect of directors was as follows

	2010	2009
	£	£
Aggregate emoluments	493,717	444,522

During the year, no directors (2009 nil) participated in money purchase pension schemes

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

	2010	2009
	£	£
Aggregate emoluments	127,017	128,407

#### 5 Interest receivable and similar income

	2010	2009
	£	£
Bank interest receivable	478	318

# Sorrento Holdings Limited

## Notes to the financial statements for the year ended 30 June 2010 (continued)

### 6 Interest payable and similar charges

	2010	2009
	£	£
Bank loans and overdrafts interest	-	52
Mortgage interest	33,945	35,401
	33,945	35,453

### 7 Tax charge on profit on ordinary activities

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

	2010	2009
	£	£
<b>UK corporation tax</b>		
Current tax charge on profit for the year	199,833	120,811
Interest on corporation tax	-	184
Adjustments in respect of prior years	-	(198)
<b>Total current tax</b>	<b>199,833</b>	<b>120,797</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(2,214)	(4,561)
<b>Total deferred tax (note 16)</b>	<b>(2,214)</b>	<b>(4,561)</b>
<b>Tax charge on profit on ordinary activities</b>	<b>197,619</b>	<b>116,236</b>

# Sorrento Holdings Limited

## Notes to the financial statements for the year ended 30 June 2010 (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 lower (2009 lower) than the standard rate of corporation tax in the UK of 28% (2009 28%). The differences are explained below

	2010	2009
	£	£
Profit before taxation	730,521	442,677
Taxation at 28% (2009 28%)	204,546	123,950
Expenses not deductible for tax purposes	20,510	17,712
Accelerated capital allowances	2,214	3,694
Tax at marginal rates	(27,437)	(24,559)
<b>Current tax charge for the year</b>	<b>199,833</b>	<b>120,797</b>

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

Reductions to the UK corporation tax rate were announced in the June 2010 and March 2011 Budgets. The changes, which are expected to be enacted separately each year, propose to reduce the rate to 26% from 1 April 2011 and then by 1% per annum to 23% by 1 April 2014. The changes had not been substantively enacted at the balance sheet date and therefore, are not recognised in these financial statements.

### 8 Dividends

	2010	2009
	£	£
Dividends on equity shares		
Interim paid for 2010 of £258 per £1 ordinary share	258,000	200,000

# Sorrento Holdings Limited

## Notes to the financial statements for the year ended 30 June 2010 (continued)

### 9 Tangible fixed assets

	Freehold property	Plant and machinery	Fixtures and fittings	Total
Group	£	£	£	£
<b>Cost</b>				
At 1 July 2009	709,178	210,950	2,121	922,249
Additions	-	157,886	688	158,574
<b>At 30 June 2010</b>	<b>709,178</b>	<b>368,836</b>	<b>2,809</b>	<b>1,080,823</b>
<b>Depreciation</b>				
At 1 July 2009	15,166	107,395	318	122,879
Charge for the year	14,414	120,428	-	134,842
<b>At 30 June 2010</b>	<b>29,580</b>	<b>227,823</b>	<b>318</b>	<b>257,721</b>
<b>Net book value</b>				
<b>At 30 June 2010</b>	<b>679,598</b>	<b>141,013</b>	<b>2,491</b>	<b>823,102</b>
At 1 July 2009	694,012	103,555	1,803	799,370

# Sorrento Holdings Limited

## Notes to the financial statements for the year ended 30 June 2010 (continued)

### 9 Tangible fixed assets (continued)

	Freehold property	Fixtures and fittings	Total
Company	£	£	£
<b>Cost</b>			
At 1 July 2009	709,178	2,121	711,299
Additions	-	688	688
<b>At 30 June 2010</b>	<b>709,178</b>	<b>2,809</b>	<b>711,987</b>
<b>Depreciation</b>			
At 1 July 2009	15,166	318	15,484
Charge for the year	14,414	-	14,414
<b>At 30 June 2010</b>	<b>29,580</b>	<b>318</b>	<b>29,898</b>
<b>Net book value</b>			
<b>At 30 June 2010</b>	<b>679,598</b>	<b>2,491</b>	<b>682,089</b>
At 1 July 2009	694,012	1,803	695,815

### 10 Fixed asset investments

Company	Unlisted investments
Carrying Value	£
At 1 July 2009	628,783
Revaluations	102,250
<b>At 30 June 2010</b>	<b>731,033</b>

If fixed asset investments had not been revalued they would have been included at a historical cost of £8,903 (2009 £8,903)

## Sorrento Holdings Limited

### Notes to the financial statements for the year ended 30 June 2010 (continued)

#### 10 Fixed asset 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 in the above subsidiary aggregate share capital and reserves 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.

#### 11 Investment property

##### Group and Company

Cost and Net Book Value	£
At 1 July 2009	298,237
Revaluation	5,713
At 30 June 2010	303,950

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

The investment properties were valued on an open market basis by the directors who are of the opinion that as at 30 June 2010 this valuation is not materially different from the net book value shown in the financial statements.

# Sorrento Holdings Limited

## Notes to the financial statements for the year ended 30 June 2010 (continued)

### 12 Debtors

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
<b>Due within one year:</b>				
Trade debtors	2,142,774	1,750,882	10,614	1,697
Other debtors	12,118	12,118	12,118	12,118
Prepayments and accrued income	82,052	40,775	1,597	1,476
	<b>2,236,944</b>	<b>1,803,775</b>	<b>24,329</b>	<b>15,291</b>

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

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Bank loans and overdrafts (note 15)	9,923	9,436	9,436	9,436
Trade creditors	1,926,453	1,622,152	1,630	2,110
Amounts owed to group undertakings	-	-	334,532	-
Corporation tax	200,462	120,866	23,885	14,811
Other tax and social security	136,072	165,739	-	237
Directors' loan accounts	-	36,500	-	36,500
Accruals and deferred income	203,052	77,843	23,669	4,331
	<b>2,475,962</b>	<b>2,032,536</b>	<b>393,152</b>	<b>67,425</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 2010 (continued)

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

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Bank loans (note 15)	501,683	510,962	501,683	510,962
Amounts owed to group undertakings	-	-	-	401,459
	501,683	510,962	501,683	912,421

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

### 15 Bank loans and overdrafts

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Bank overdraft due within one year	487	-	-	-
<b>Bank loans:</b>				
Due within one year	9,436	9,436	9,436	9,436
Between one and two years	10,080	10,080	10,080	10,080
Between two and five years	34,559	34,559	34,559	34,559
After more than five years	457,044	466,323	457,044	466,323
	511,606	520,398	511,119	520,398

Bank loans of £511,119 are secured by a fixed charge over the freehold property, repayable over a 25 year period and bears interest at a fixed rate of 6.62%



# Sorrento Holdings Limited

## Notes to the financial statements for the year ended 30 June 2010 (continued)

### 16 Provisions for liabilities and charges

#### Group

	Group		Company	
Deferred tax	2010	2009	2010	2009
	£	£	£	£
At 1 July 2009	8,450	13,011	379	-
Profit and loss charge/(credit)	(2,214)	(4,561)	29	379
At 30 June 2010	6,236	8,450	408	379

Deferred tax is analysed as follows

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Accelerated capital allowances	6,236	8,450	408	379
At 30 June 2010	6,236	8,450	408	379

### 17 Called up share capital

	2010	2009
	£	£
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 2010 (continued)

### 18 Reserves

Group	Profit and loss reserve			
	£			
At 1 July 2009	659,899			
Profit for the year	442,842			
Dividends paid	(258,000)			
<b>At 30 June 2010</b>	<b>844,741</b>			
Company	Profit and loss reserve	Investment revaluation reserve	Investment property revaluation reserve	Total
	£	£	£	£
At 1 June 2009	40,017	619,880	-	659,897
Profit for the year	340,594	-	-	340,595
Investment property revaluation	-	-	5,713	5,713
Investment revaluation	-	102,250	-	
Dividends	(258,000)	-	-	(258,000)
<b>At 30 June 2010</b>	<b>122,611</b>	<b>722,130</b>	<b>5,713</b>	<b>850,454</b>

# Sorrento Holdings Limited

## Notes to the financial statements for the year ended 30 June 2010 (continued)

### 19 Reconciliation of movements in shareholders' funds

Group	2010	2009
	£	£
Profit for the financial year	442,842	307,441
Revaluation of investment property	5,713	-
Dividends	(258,000)	(200,000)
<b>Net additions to shareholders funds</b>	<b>190,555</b>	<b>107,441</b>
Opening shareholders funds	660,899	553,458
<b>Shareholders' funds at 30 June</b>	<b>851,454</b>	<b>660,899</b>
Company	2010	2009
	£	£
Profit for the financial year	340,594	248,914
Investment property revaluation	5,713	-
Investment revaluation	102,250	-
Dividends	(258,000)	(200,000)
Other recognised gains and losses	-	58,525
<b>Net additions to shareholders funds</b>	<b>190,557</b>	<b>107,439</b>
Opening shareholders funds	660,897	553,458
<b>Shareholders' funds at 30 June</b>	<b>851,454</b>	<b>660,897</b>

### 20 Minority interests

The minority interest is calculated as follows

Shareholders funds:	£
At 1 July 2009	83,500
Profit for the year	90,060
Dividends paid	(21,500)
<b>At 30 June 2010</b>	<b>152,060</b>

# Sorrento Holdings Limited

## Notes to the financial statements for the year ended 30 June 2010 (continued)

### 21 Analysis of gross cash flows

	2010	2009
	£	£
<b>Returns on investments and servicing finance</b>		
Interest received	478	8,666
Interest paid	(33,093)	(35,453)
Dividend paid to minority interests	(21,500)	(21,500)
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b>(54,115)</b>	<b>(48,287)</b>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(158,574)	(14,122)
Purchase of investment property	-	(298,237)
<b>Net cash outflow for capital expenditure and financial investment</b>	<b>(158,574)</b>	<b>(312,359)</b>
<b>Financing</b>		
Repayment of borrowings	(9,279)	(9,055)
Amount introduced by directors	-	47,690
<b>Net cash (outflow)/inflow from financing</b>	<b>(9,279)</b>	<b>38,635</b>

# Sorrento Holdings Limited

## Notes to the financial statements for the year ended 30 June 2010 (continued)

### 22 Analysis of changes in net debt

	At 30 June 2009	Cash flows	Non cash changes	At 30 June 2010
	£	£	£	£
Cash at bank and in hand	394,965	228,434	-	623,399
Bank overdrafts	-	(487)	-	(487)
Debt falling due within one year	(9,436)	-	-	(9,436)
Debt falling due after one year	(510,962)	9,279	-	(501,683)
Total	(125,433)	237,226	-	111,793

### 23 Other commitments

#### Group

At 30 June 2010, the group had annual non-cancellable commitments under operating leases as follows

	Other	
	2010	2009
	£	£
Expiry date		
Within one year	2,468	-
Between one and five years	5,256	12,213
After more than five years	-	-
	7,724	12,213

#### Company

At 30 June 2010, 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 2010 (continued)

### 24 Related party transactions

#### Transactions with directors:

During the year, dividends were paid to directors as follows

	2010 £	2009 £
D J Ponsonby	64,500	50,000
M Ponsonby	64,500	50,000
J J Mangan	64,500	50,000
B M Croghan	64,500	50,000

### 25 Controlling parties

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