

Sorrento Holdings Limited

Annual report and financial statements
for the year ended 30 June 2020

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 2020

Directors

J Mangan
S T Payne

Company secretary

J Mangan

Registered office

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

Independent auditor

Mazars LLP
First Floor
Two Chamberlain Square
Birmingham
B3 3AX

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 2020

The Directors present their report and financial statements for the year ended 30 June 2020.

PRINCIPAL ACTIVITIES

The company continues to hold investments in property and receive rent therefrom.

FUTURE DEVELOPMENTS

The outlook for 2021 is stable with ongoing rentals assured.

The Directors consider there will be no significant impact from Brexit. COVID-19 will have no effect due to the majority of the operation is contracted out to 3rd Parties who have shown us they have the necessary contingencies in place to carry on.

DIRECTORS

The directors set out below have held office during the whole of the period from 1 July 2019 to the date of this report unless otherwise stated.

J J Mangan (resigned 1 March 2021)
B M Croghan (resigned 1 March 2021)
M Ponsonby (resigned 1 March 2021)
D J Ponsonby (resigned 1 March 2021)
J Mangan (appointed 1 March 2021)
S T Payne (appointed 1 March 2021)

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 2020 (continued)

DIVIDENDS

The directors have not paid any dividends in the year (2019: nil).

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 13th April 2021 and signed on its behalf by:



J Mangan
Director

Sorrento Holdings Limited

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

Opinion

We have audited the financial statements of Sorrento Holdings Limited (the 'company') for the year ended 30 June 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2020 and of its 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Sorrento Holdings Limited

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

Opinions on other matters 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 in relation to which 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 specific 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of Directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

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.

Ian Holder (Senior Statutory Auditor)
For and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
First Floor, Two Chamberlain Square, Birmingham B3 3AX

Sorrento Holdings Limited

Statement of comprehensive income for the year ended 30 June 2020

		2020	2019
	Notes	£	£
Turnover	3	140,956	267,390
Cost of sales		(17,705)	215,687
Gross profit		123,251	483,077
Administrative expenses		(758,849)	(735,055)
Gains on revaluation of investment properties		-	121,349
Other operating income		720,000	335,000
Operating profit	4	84,402	204,371
Interest receivable and similar income		1	197
Interest payable and similar charges	6	(17,680)	(22,856)
Profit on ordinary activities before taxation		66,723	181,712
Tax on profit on ordinary activities	7	(19,206)	(34,426)
Retained profit for the financial year		47,517	147,286

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

There was no other comprehensive income for 2020 (2019: £nil).

The notes on pages 10 to 18 form part of these financial statements.

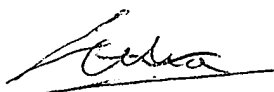
Sorrento Holdings Limited

Statement of financial position as at 30 June 2020

	Notes	2020 £	2019 Restated £
Fixed assets			
Tangible assets	8	471,320	488,182
Investment property	9	2,287,562	2,287,562
		2,758,882	2,775,744
Current assets			
Debtors	10	51,124	18,959
Cash at bank and in hand		136,233	42,062
		187,357	61,021
Creditors: amounts falling due within one year	11	(1,599,324)	(1,427,120)
Net current liabilities		(1,411,967)	(1,366,099)
Total assets less current liabilities		1,346,915	1,409,645
Creditors: amounts falling due after more than one year	12	(495,646)	(609,218)
Provisions for liabilities	14	(31,655)	(28,330)
Net assets		819,614	772,097
Capital and reserves			
Called up share capital	12	1,000	1,000
Investment property revaluation reserve		165,375	165,375
Profit and loss account		653,239	605,722
Total shareholders' funds		819,614	772,097

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 7 to 18 were approved by the board of directors on 13th April 2021 and were signed on its behalf by:



J Mangan
Director

Company registered number: 06004360

Sorrento Holdings Limited

Statement of changes in equity as at 30 June 2020

	Share capital £	Investment property revaluation £	Profit and loss account £	Total £
At 1 July 2018	1,000	44,026	789,911	834,937
Prior year adjustment ***	-	-	(210,126)	(210,126)
At 1 July 2018 – as restated	1,000	44,026	579,785	624,811
Total comprehensive income for the year				
Profit for the year	-	121,349	25,937	147,286
At 1 July 2019	1,000	165,375	605,722	772,097
Total comprehensive income for the year				
Profit for the year	-	-	47,517	47,517
At 30 June 2020	1,000	165,375	653,239	819,614

*** Certain supplier balances that were considered not payable in 2018 have been reinstated as the directors now consider they may become payable.

The notes on pages 10 to 18 form part of these financial statements.

Sorrento Holdings Limited

Notes to the financial statements for the year ended 30 June 2020

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 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.

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 2020 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 2020

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 2020

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:

	2020	2019
	£	£
United Kingdom	157,892	267,390

4 Operating profit

The operating profit is stated after charging:

	2020	2019
	£	£
Auditors' remuneration:		
- Audit services	1,500	1,300
- Taxation services	900	795
Depreciation of owned tangible fixed assets	14,184	15,544

Sorrento Holdings Limited

Notes to the financial statements for the year ended 30 June 2020

5 Directors and employees

The Directors were remunerated by Corporate Solutions Personnel Limited who charged the Company for directors' services. Total staff costs incurred and recharged to the Company in the year are disclosed below:

	2020	2019
	£	£
Wages and salaries	708,000	668,000
Social security costs	76,913	66,413
	784,913	734,413

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

	2020	2019
	Number	Number
Directors	4	4

Total remuneration, including benefits in kind, in respect of directors was as follows:

	2020	2019
	£	£
Aggregate emoluments	708,000	978,860

During the year, no directors (2018: Nil) participated in money purchase pension schemes. The amounts set out above include remuneration in respect of the highest paid director as follows:

	2020	2019
	£	£
Aggregate emoluments	202,000	270,513

6 Interest payable and similar charges

	2020	2019
	£	£
Bank loan and overdraft interest	17,680	22,590

Sorrento Holdings Limited

Notes to the financial statements for the year ended 30 June 2020

7 Tax charge on profit on ordinary activities

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

	2020	2019
	£	£
UK corporation tax		
Current tax charge on profit for the year	15,881	14,103
Adjustments in respect of prior years	-	(157)
Total current tax	15,881	13,946
Deferred tax		
Origination and reversal of timing differences	3,325	20,480
Total deferred tax (note 14)	3,325	20,480
Tax charge on profit on ordinary activities	19,206	34,426

(b) Factors affecting tax charge for the year:

The amount of the tax charge for the year is lower (2018: higher) than the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below.

	2020	2019
	£	£
Profit before taxation	66,723	181,712
Taxation at 19% (2018: 19.00%)	12,677	34,525
Effect of:		
Fixed asset differences	3,196	-
Adjustments in respect of prior years	-	(157)
Movement in short term timing differences	3,333	58
Current tax charge for the year	19,206	34,426

(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 2020

8 Tangible assets

	Freehold property	Fixtures and fittings	Total
	£	£	£
Cost			
At 1 July 2019	640,500	8,409	648,909
Additions	-	-	-
At 30 June 2020	640,500	8,409	648,909
Accumulated depreciation			
At 1 July 2019	157,236	3,491	160,727
Charge for the year	14,184	2,678	16,862
At 30 June 2020	171,420	6,169	177,589
Net book value			
At 30 June 2019	483,264	4,918	488,182
At 30 June 2020	469,080	2,240	471,320

The freehold property is subject to a fixed charge (see note 13).

Sorrento Holdings Limited

Notes to the financial statements for the year ended 30 June 2020

9 Investment property

Valuation	2020 £	2019 £
At 1 July 2019	2,287,562	2,166,213
Gains on revaluation	-	121,349
At 30 June 2019	2,287,562	2,287,562

Investment properties were revalued on an open market basis by Burley Browne Ltd, an independent Chartered Surveyor, as at February 2020. The Directors confirm there is no significant change in the valuation since this date to the balance sheet date.

The investment properties are subject to a fixed charge (see note 13).

10 Debtors

	2020 £	2019 £
Due within one year:		
Trade debtors	8,324	1,271
Prepayments and accrued income	42,800	17,688
	51,124	18,959

11 Creditors: amounts falling due within one year

	2020 £	2019 Restated £
Bank loans and overdrafts (see note 13)	37,648	124,621
Trade creditors	450,636	488,518
Amounts owed to group undertakings	1,023,704	955,534
Corporation tax	15,881	14,103
Other taxation and social security	70,661	10,334
Accruals and deferred income	794	44,136
	1,599,324	1,427,120

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 2020

12 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Bank loans (see note 13)	495,646	609,218

13 Bank loans and overdrafts

	2020	2019
	£	£
Bank loans:		
Due within one year	37,648	124,621
Between one and two years	38,179	599,037
Between two and five years	457,467	10,181
	533,294	733,839

Flexible bank loans of £733,839 (2018: £847,539) are secured by fixed charges over the investment properties and bear interest at rates between 2.0% and 2.5% above base rate.

14 Provisions for liabilities and charges

Deferred tax	2020	2018
	£	
At 1 July 2019	28,330	7,850
Profit and loss charge	3,325	20,480
At 30 June 2020	31,655	28,330

Deferred tax is analysed as follows:

	2020	2019
	£	£
Accelerated capital allowances	234	216
Other timing differences	31,421	28,114
At 30 June 2020	31,655	28,330

Sorrento Holdings Limited

Notes to the financial statements for the year ended 30 June 2020

15 Called up share capital

	2020	2019
	£	£
Allotted and fully paid		
1,000 Ordinary shares of £1 each	1,000	1,000

16 Commitments under leasing arrangements

At 30 June 2020, the company had no annual non-cancellable commitments under operating leases.

17 Ultimate parent undertaking and controlling party

At the balance sheet date, the immediate parent undertaking was Salerno Holdings Limited and was the ultimate 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, Solihull Business Park, Solihull, West Midlands, B37 7WY.

On 1 March 2021 all the share capital of Salerno Holdings Limited was acquired by CSL 2021 Holdings Limited and this company become the ultimate parent undertaking.

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