

Sorrento Holdings Limited

Annual report and consolidated financial statements

for the year ended 30 June 2014

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 2014

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

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

Strategic report for the year ended 30 June 2014

The Directors present their strategic report for the year ended 30 June 2014.

REVIEW AND ANALYSIS OF THE BUSINESS DURING THE CURRENT YEAR

The Group continued its principal activities throughout the current year.

KEY PERFORMANCE INDICATORS

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

	2014	2013
Gross profit margin	13.9%	15.2%
Earnings before interest and tax ('EBIT')	4.2%	3.3%
Current ratio (Current assets/Current liabilities)	1.08	1.00
	£000	£000
Net cash outflow	(138)	(23)

DEVELOPMENT AND FINANCIAL PERFORMANCE DURING THE YEAR

As reported in the Group's profit and loss account, there was a small reduction in turnover and gross profit. Turnover for the Company reduced by 4% on an annualised basis and EBIT improved from a £401k profit to £494k.

In addition to our core 4th Party Logistics business, the Group has quickly built up a fleet 29 heavy goods vehicles and related trailers servicing our customers on routes in the UK. The fleet is likely to increase by up to 50% early in the new financial year. The intention is to develop both the core business and own vehicle work in the new financial year.

FINANCIAL POSITION AT THE REPORTING DATE

The balance sheet shows that the Group's net assets at the year-end increased from £1,487k at the prior year end to £1,824k. A net cash outflow of £138k mainly resulted from the fall in trade creditors having brought creditor days down from 57 days at the previous year end to 45 days at 30 June 2014.

Sorrento Holdings Limited

Strategic Report

for the year ending 30 June 2014 (continued)

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE BUSINESS

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

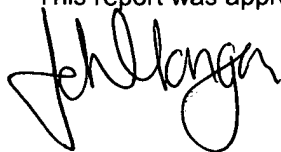
The Group has developed strong working relationships with its key suppliers as part of the Corporate Alliance. We constantly monitor and manage these relationships and strive to add quality transport companies to meet the new and ongoing needs of our customers.

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

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

APPROVAL

This report was approved by the board on 5 February 2015 and signed on its behalf by:



J J Mangan

Sorrento Holdings Limited

Directors' report for the year ended 30 June 2014

The Directors present their report and financial statements for the year ended 30 June 2014.

PRINCIPAL ACTIVITIES

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

FUTURE DEVELOPMENTS

The outlook for 2015 is encouraging. The Group is looking to grow both its turnover and profits significantly and is forecast to grow business through sub-contractors and through its own fleet.

DIVIDENDS

The directors have not paid any dividends in the year (2013: nil).

DIRECTORS

The directors set out below have held office during the whole of the year from 1 July 2013 to the date of this report unless otherwise stated.

J J Mangan
B M Croghan
M Ponsonby
D J Ponsonby

RESPONSIBILITIES OF DIRECTORS

The directors are responsible for preparing the Strategic Report, Directors' Report and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Sorrento Holdings Limited

Directors' Report

for the year ending 30 June 2014 (continued)

DIRECTORS' INDEMNITY

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

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

EMPLOYEE INVOLVEMENT

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

DISABLED PERSONS

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

FINANCIAL INSTRUMENTS

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

Currency risk

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

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

Credit risk

The principal credit risk arises from trade debtors.

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

Sorrento Holdings Limited

Directors' Report

for the year ending 30 June 2014 (continued)

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

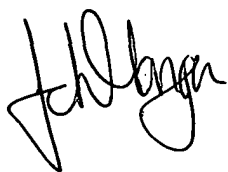
- * so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditors are unaware; and
- * each of the directors has taken all the steps that he ought to have taken as a director to make himself aware of any relevant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

AUDITORS

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

APPROVAL

This report was approved by the board on 5 February 2015 and signed on its behalf by:



J.J. Mangan

Sorrento Holdings Limited

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 2014 which comprise the consolidated profit and loss account, the consolidated and parent company balance sheets, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 6, 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.

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 2014 and of the group's profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Ian Holder (Senior Statutory Auditor)

For and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditors

Birmingham

February 2015

Sorrento Holdings Limited

Consolidated profit and loss account for the year ended 30 June 2014

		2014	2013
	Notes	£	£
Turnover	2	11,834,184	12,281,786
Cost of sales		(10,184,766)	(10,409,841)
Gross profit		1,649,418	1,871,945
Administrative expenses		(1,280,858)	(1,629,416)
Other operating income		125,221	158,010
Operating profit	3	493,781	400,539
Interest receivable and similar income	5	660	952
Interest payable and similar charges	6	(25,601)	(40,462)
Profit on ordinary activities before taxation		468,840	361,029
Tax on profit on ordinary activities	7	(132,246)	(154,496)
Profit on ordinary activities after taxation		336,594	206,533
Minority interests	19	(47,083)	(12,764)
Profit for the financial year	17	289,511	193,769

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

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

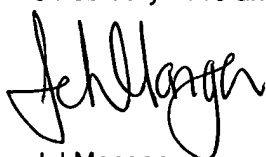
There is no difference between the profit on ordinary activities before taxation and the retained profit for the financial years stated above and their historical cost equivalents.

Sorrento Holdings Limited

Consolidated balance sheet as at 30 June 2014

	Notes	2014 £	2013 £
Fixed assets			
Tangible assets	8	659,959	716,079
Investment property	10	1,479,249	1,479,249
		2,139,208	2,195,328
Current assets			
Debtors	11	2,811,247	2,703,082
Cash at bank and in hand		70,089	208,138
		2,881,336	2,911,220
Creditors: amounts falling due within one year	12	(2,660,763)	(2,900,949)
Net current assets		220,573	10,271
Total assets less current liabilities		2,359,781	2,205,599
Creditors: amounts falling due after more than one year	13	(535,744)	(718,156)
Net assets		1,824,037	1,487,443
Capital and reserves			
Called up share capital	16	1,000	1,000
Investment property revaluation reserve	17	5,713	5,713
Profit and loss account	17	1,650,671	1,361,160
Total shareholders' funds	18	1,657,384	1,367,873
Minority interests	19	166,653	119,570
Capital employed		1,824,037	1,487,443

The financial statements set out on pages 6 to 27 were approved by the board of directors on 5 February 2015 and were signed on its behalf by:



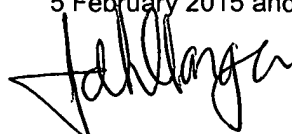
J J Mangan
Director

Sorrento Holdings Limited

Company balance sheet as at 30 June 2014

	Notes	2014 £	2013 £
Fixed assets			
Tangible assets	8	624,162	638,575
Investments	9	1,047,404	859,071
Investment property	10	1,479,249	1,479,249
		3,150,815	2,976,895
Current assets			
Debtors	11	28,379	30,271
Cash at bank and in hand		40,093	74,483
		68,472	104,754
Creditors: amounts falling due within one year	12	(1,025,784)	(995,199)
Net current liabilities		(957,312)	(890,445)
Total assets less current liabilities		2,193,503	2,086,450
Creditors: amounts falling due after more than one year	13	(535,744)	(718,156)
Provisions for liabilities	15	(375)	(421)
Net assets		1,657,384	1,367,873
Capital and reserves			
Called up share capital	16	1,000	1,000
Investment revaluation reserve	17	1,038,502	850,169
Investment property revaluation reserve	17	5,713	5,713
Profit and loss account	17	612,169	510,991
Total shareholders' funds	18	1,657,384	1,367,873

The financial statements set out on pages 6 to 27 were approved by the board of directors on 5 February 2015 and were signed on its behalf by:



J J Mangan
Director

Company registered number: 06004360

Sorrento Holdings Limited

Consolidated cash flow statement for the year ended 30 June 2014

	Notes	2014 £	2013 £
Reconciliation of operating profit to net cash inflow from operating activities:			
Operating profit		493,781	400,539
Depreciation of tangible fixed assets		58,396	96,967
Profit on sale of fixed assets		(23,605)	-
Increase in debtors		(111,524)	(53,315)
Decrease in creditors		(279,429)	(354,967)
Net cash inflow from operating activities		137,619	89,224
Cash flow statement:			
Net cash inflow from operating activities		137,619	89,224
Net cash outflow from returns on investments and servicing of finance	20	(24,941)	(61,010)
Taxation		(96,438)	(85,859)
Net cash inflow / (outflow) from capital expenditure and financial investment	20	21,329	(33,948)
Equity dividends paid		-	-
Net cash (outflow)/inflow from financing	20	(175,618)	(239,692)
Decrease in cash		(138,049)	(331,285)
Reconciliation of net cash flow to movement in net debt:			
Decrease in cash in the year	21	(138,049)	(331,285)
Cash outflow from decrease in debt	21	175,618	239,692
Change in net debt	21	37,569	(91,593)
Net debt at 1 July	21	(682,695)	(591,102)
Net debt at 30 June	21	(645,126)	(682,695)

Sorrento Holdings Limited

Notes to the financial statements for the year ended 30 June 2014

1 Accounting policies

Basis of preparation

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

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

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

Basis of consolidation

The consolidated financial statements comprise the audited financial statements of the company and its subsidiary undertaking as at 30 June 2014. Where subsidiaries are acquired or disposed of during the year, their results are included in the group financial statements from/to the date of acquisition/disposal using the acquisition method of accounting. Intragroup balances and any unrealised gains or losses or income and expenses arising from intragroup transactions are eliminated in preparing the consolidated financial statements.

A separate profit and loss account for the parent company has not been presented as permitted by section 408 of the Companies Act 2006. The profit for the financial year of the parent company was £101,178 (2013: £142,715).

Turnover

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

Tangible fixed assets and depreciation

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

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

Sorrento Holdings Limited

Notes to the financial statements for the year ended 30 June 2014 (continued)

1 Accounting policies (continued)

Investment property

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

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

Investments

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

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

Taxation including deferred taxation

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

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

Foreign currency

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

Leases

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

Sorrento Holdings Limited

Notes to the financial statements for the year ended 30 June 2014 (continued)

1 Accounting policies (continued)

Financial instruments

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

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

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

Employer financed retirement benefit scheme

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

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

2 Turnover

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

An analysis of turnover by geographical market is given below:

	2014	2013
	£	£
United Kingdom	11,802,936	12,281,786
Europe	31,248	-
Total	11,834,184	12,281,786

Sorrento Holdings Limited

Notes to the financial statements for the year ended 30 June 2014 (continued)

3 Operating profit

The operating profit is stated after charging:

	2014	2013
	£	£
Depreciation on tangible fixed assets:		
- owned by the group	58,396	96,967
Audit fee – parent company and consolidation	1,500	1,500
Audit fee - subsidiary	12,000	17,500
Auditors' remuneration – other services :		
- Services relating to taxation	4,500	4,550
Operating lease rentals:		
- Plant and machinery	337,529	8,930

4 Directors and employees

	2014	2013
	£	£
Wages and salaries	913,428	1,052,369
Social security costs	109,318	133,043
Other pension costs	112,493	213,105
	1,135,239	1,398,517

Sorrento Holdings Limited

Notes to the financial statements for the year ended 30 June 2014 (continued)

4 Directors' and employees (continued)

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

	2014	2013
	Number	Number
Directors	4	4
Administration	15	17
	19	21

Remuneration in respect of directors was as follows:

	2014	2013
	£	£
Aggregate emoluments	633,735	878,600

During the year, no directors (2013: nil) participated in money purchase pension schemes.

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

	2014	2013
	£	£
Aggregate emoluments	159,419	232,142

5 Interest receivable and similar income

	2014	2013
	£	£
Bank interest receivable	660	952

Sorrento Holdings Limited

Notes to the financial statements for the year ended 30 June 2014 (continued)

6 Interest payable and similar charges

	2014	2013
	£	£
Finance lease interest	-	8,422
Bank loan and overdraft interest	25,601	32,040
	25,601	40,462

7 Tax charge on profit on ordinary activities

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

	2014	2013
	£	£
UK corporation tax		
Current tax charge on profit for the year	132,283	136,971
Adjustments in respect of prior years	(3,396)	16,015
Total current tax	128,887	152,986
Deferred tax		
Origination and reversal of timing differences	3,359	1,510
Total deferred tax (note 16)	3,359	1,510
Tax charge on profit on ordinary activities	132,246	154,496

Sorrento Holdings Limited

Notes to the financial statements for the year ended 30 June 2014 (continued)

7 Tax charge on profit on ordinary activities (continued)

(b) Factors affecting tax charge for the year:

The amount of the tax charge for the year is higher (2013: higher) than the standard rate of corporation tax in the UK of 23.75% (2013: 23.75%). The differences are explained below.

	2014	2013
	£	£
Profit before taxation	468,840	361,029
Taxation at 22.50% (2013: 22.05%)	105,489	79,600
Effect of:		
Expenses not deductible for tax purposes	32,105	22,332
Income not taxable	(742)	(9,128)
Accelerated capital allowances	(8,383)	(1,577)
Movement in short term timing differences	9,972	45,751
Tax at marginal rates	(6,158)	(7)
Adjustments in respect of prior years	(3,396)	16,015
Current tax charge for the year	128,887	152,986

(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 2014 (continued)

8 Tangible assets

	Freehold property	Plant and machinery	Fixtures and fittings	Motor Vehicles	Total
Group	£	£	£	£	£
Cost					
At 1 July 2013	709,178	502,170	2,809	175,511	1,389,668
Additions	-	38,681	-	-	38,681
Disposals	-	-	-	(158,816)	(158,816)
At 30 June 2014	709,178	540,851	2,809	16,695	1,269,533
Accumulated depreciation					
At 1 July 2013	72,132	472,717	1,280	127,460	673,589
Charge for the year	14,184	36,511	229	7,472	58,396
Disposals	-	-	-	(122,411)	(122,411)
At 30 June 2014	86,316	509,228	1,509	12,521	609,574
Net book value					
At 30 June 2014	622,862	31,623	1,300	4,174	659,959
At 30 June 2013	637,046	29,453	1,529	48,051	716,079

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

Sorrento Holdings Limited

Notes to the financial statements for the year ended 30 June 2014 (continued)

8 Tangible assets (continued)

Company	Freehold property £	Fixtures and fittings £	Total £
Cost			
At 1 July 2013 and at 30 June 2014	709,178	2,809	711,987
Accumulated depreciation			
At 1 July 2013	72,132	1,280	73,412
Charge for the year	14,184	229	14,413
At 30 June 2014	86,316	1,509	87,825
Net book value			
At 30 June 2014	622,862	1,300	624,162
At 30 June 2013	637,046	1,529	638,575

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

9 Investments

Company	Unlisted investments £
Carrying Value	
At 1 July 2013	859,071
Revaluations	188,333
At 30 June 2014	1,047,404

If fixed asset investments had not been revalued they would have been included at a historical cost of £8,903 (2013: £8,903).

Sorrento Holdings Limited

Notes to the financial statements for the year ended 30 June 2014 (continued)

9 Investments (continued)

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

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

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

10 Investment property

Group and Company

Cost and Net Book Value	£
At 1 July 2013 and at 30 June 2014	1,479,249

The above investment property balance 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 2014 this valuation is not materially different from the net book value shown in the financial statements. The historic cost is £1,473,536 (2013 £1,473,536).

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

Sorrento Holdings Limited

Notes to the financial statements for the year ended 30 June 2014 (continued)

11 Debtors

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Due within one year:				
Trade debtors	2,485,747	2,516,725	-	21,062
Prepayments and accrued income	240,192	178,279	28,379	9,209
Other taxation	80,589	-	-	-
Deferred tax asset (see note 15)	4,719	8,078	-	-
	2,811,247	2,703,082	28,379	30,271

12 Creditors: amounts falling due within one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans and overdrafts (note 14)	179,471	172,677	179,471	172,677
Trade creditors	1,834,512	2,040,372	24,323	5,958
Amounts owed to group undertakings	-	-	633,574	633,574
Corporation tax	284,263	251,814	30,545	41,917
Other taxation and social security	34,436	147,061	74,742	75,340
Accruals and deferred income	328,081	289,025	83,129	65,733
	2,660,763	2,900,949	1,025,784	995,199

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 2014 (continued)

13 Creditors: amounts falling due after more than one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans (note 14)	535,744	718,156	535,744	718,156

14 Bank loans and overdrafts

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans:				
Due within one year	179,471	172,677	179,471	172,677
Between one and two years	160,993	178,688	160,993	178,688
Between two and five years	374,751	539,468	374,751	539,468
	715,215	890,833	715,215	890,833

Bank loans of £715,215 (2013: £890,833) are secured by a fixed charge over the freehold and investment properties, repayable over a 5 year period and bear interest at rates of 3.25% and 2.5% above base rate.

Sorrento Holdings Limited

Notes to the financial statements for the year ended 30 June 2014 (continued)

15 Provisions for liabilities and charges

Group

	Group		Company	
	2014	2013	2014	2013
Deferred tax	£	£	£	£
At 1 July	(8,078)	(9,588)	421	508
Profit and loss (credit)/charge	3,359	1,510	(46)	(87)
At 30 June	(4,719)	(8,078)	375	421

Deferred tax is analysed as follows:

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Accelerated capital allowances	(4,719)	(8,078)	375	421
At 30 June	(4,719)	(8,078)	375	421

The group has not recognised deferred tax assets of £120,000 (2013: £138,000) in respect of other temporary timing differences to the extent that the realisation of the related tax benefit through future taxable profits is not yet probable.

16 Called up share capital

	2014	2013
	£	£
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 2014 (continued)

17 Reserves

Group	Profit and loss account	Investment property revaluation reserve	Total
	£	£	£
At 1 July 2013	1,361,160	5,713	1,366,873
Profit for the financial year	289,511	-	289,511
At 30 June 2014	1,650,671	5,713	1,656,384

Company	Profit and loss account	Investment revaluation reserve	Investment property revaluation reserve	Total
	£	£	£	£
At 1 June 2013	510,991	850,169	5,713	1,366,873
Profit for the financial year	101,178	-	-	101,178
Investment revaluation	-	188,333	-	188,333
At 30 June 2014	612,169	1,038,502	5,713	1,656,384

Sorrento Holdings Limited

Notes to the financial statements for the year ended 30 June 2014 (continued)

18 Reconciliation of movements in shareholders' funds

Group	2014	2013
	£	£
Profit for the financial year	289,511	193,769
Net additions to shareholders funds	289,511	193,769
Opening shareholders funds	1,367,873	1,174,104
Shareholders' funds at 30 June	1,657,384	1,367,873

Company	2014	2013
	£	£
Profit for the financial year	101,178	142,715
Investment revaluation	188,333	51,054
Net additions to shareholders funds	289,511	193,769
Opening shareholders funds	1,367,873	1,174,104
Shareholders' funds at 30 June	1,657,384	1,367,873

19 Minority interests

The minority interest is calculated as follows:	2014	2013
	£	£
Shareholders funds:		
At 1 July 2013	119,570	128,306
Profit for the financial year	47,083	12,764
Dividends paid	-	(21,500)
At 30 June 2014	166,653	119,570

Sorrento Holdings Limited

Notes to the financial statements for the year ended 30 June 2014 (continued)

20 Analysis of gross cash flows

	2014	2013
	£	£
Returns on investments and servicing of finance		
Interest received	660	952
Interest paid	(25,601)	(32,040)
Interest element of finance lease payments	-	(8,422)
Dividend paid to minority interests	-	(21,500)
Net cash outflow for returns on investments and servicing of finance	(24,941)	(61,010)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(38,681)	(33,948)
Proceeds on sale of fixed assets	60,010	-
Net cash inflow / (outflow) for capital expenditure and financial investment	21,329	(33,948)
Financing		
Repayment of borrowings	(175,618)	(160,338)
Capital element of finance lease payments	-	(79,354)
Net cash outflow from financing	(175,618)	(239,692)

Sorrento Holdings Limited

Notes to the financial statements for the year ended 30 June 2014 (continued)

21 Analysis of changes in net debt

	At 30 June 2013	Cash flows	Non cash changes	At 30 June 2014
	£	£	£	£
Cash at bank and in hand	208,138	(138,049)	-	70,089
Debt falling due within one year	(172,677)	(6,794)	-	(179,471)
Debt falling due after one year	(718,156)	182,412	-	(535,744)
Total	(682,695)	37,569	-	(645,126)

22 Commitments under leasing arrangements

Group

Operating leases

As at 30 June 2014, the group had annual commitments under non-cancellable operating leases for assets other than land and buildings expiring as follows:

	Operating leases	
	2014	2013
	£	£
Operating leases which expire:		
Within one year	3,704	6,933
Within 2 to 5 years	473,918	-
	477,622	6,933

Company

At 30 June 2014, 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 2014 (continued)

23 Related party transactions

Transactions with directors:

There were no transactions with the Directors in the year (2013: £nil) other than as disclosed in note 4.

24 Controlling parties

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