

Sorven Holdings Limited

Annual report and financial statements  
for the year ended 31 December 2007

Registered number 2382336



# **Sorven Holdings Limited**

## **Annual report and financial statements for the year ended 31 December 2007**

	<b>Page</b>
Directors' report for the year ended 31 December 2007	1
Independent auditors' report to the members of Sorven Holdings Limited	3
Profit and loss account for the year ended 31 December 2007	4
Reconciliation of movement in total shareholder's deficit for the year ended 31 December 2007	5
Balance sheet as at 31 December 2007	6
Notes to the financial statements for the year ended 31 December 2007	7

# **Sorven Holdings Limited**

## **Directors' report for the year ended 31 December 2007**

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2007

### **Principal activities and future developments**

Sorven Holdings Limited is a management company and, in respect of its investments, the directors expect the current level of activities to be sustained for the foreseeable future

### **Business review**

The results for the year are set out in the profit and loss account on page 4, and are in line with expectations

The net liabilities of the Company are detailed on page 6

The holding company has confirmed its continuing financial support for the Company

The directors have taken the exemption under the special provision of section 246 of the Companies Act 1985 from undertaking the detailed business review requirements of section 234ZZB of the Companies Act 1985

### **Future developments**

No significant change is anticipated in the activities of the Company

### **Dividends and transfers to reserves**

No dividend has been proposed or paid in respect of the year ended 31 December 2007 (2006 Nil) Details of the loss of £1,902,000 (2006 profit of £71,000) transferred to reserves are set out in the profit and loss account on page 4

### **Principal risks and uncertainties**

The management of the business and the execution of the Company's strategy are subject to a number of risks

The key business risks and uncertainties affecting the Company are considered to relate to employee retention, and profitability of its investments

### **Director**

The directors of the Company during the year ended 31 December 2007 were

N J Philip-Sørensen

I E M M Bogaert (appointed 29<sup>th</sup> January 2007)

# **Sorven Holdings Limited**

## **Directors' report for the year ended 31 December 2007 (continued)**

### **Statement of directors' responsibilities in respect of the Annual Report and the financial statements**

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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and 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, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that 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 1985. 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.

### **Statement of disclosure of information to auditors**

In the case of each of the persons who are directors at the time when the report is approved under section 234ZA the following applies:

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

### **Auditors**

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the Company will be proposed at the annual general meeting.

By Order of the Board

  
T E M M Bogaert  
Secretary

16<sup>th</sup> June 2008

## Independent auditors' report to the members of Sorven Holdings Limited

We have audited the financial statements of Sorven Holdings Limited for the year ended 31 December 2007 which comprise the Profit and loss account, the Reconciliation of movement in shareholder's deficit, the Balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

#### In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.



**PricewaterhouseCoopers LLP**  
Chartered Accountants and Registered Auditors  
Birmingham

8 July 2008

# Sorven Holdings Limited

## Profit and loss account for the year ended 31 December 2007

Continuing operations		2007	2006
	Notes	£'000	£'000
Management fees		803	766
Administrative expenses		(839)	(790)
Impairment of fixed asset investments	6	(713)	-
Provision for doubtful debts		(1,265)	-
<b>Operating loss</b>	3	<b>(2,014)</b>	<b>(24)</b>
Interest receivable and similar income		112	95
<b>(Loss)/profit on ordinary activities before taxation</b>	3	<b>(1,902)</b>	<b>71</b>
Tax on (loss)/profit on ordinary activities	4	-	-
<b>(Loss)/profit for the year</b>	11	<b>(1,902)</b>	<b>71</b>

There are no other recognised gains or losses for the year other than the (loss)/profit shown above, therefore no separate statement of total recognised gains and losses has been presented

There is no material difference between the results as disclosed above in the profit and loss account, and the historical cost equivalents

## Sorven Holdings Limited

### Reconciliation of movement in total shareholder's deficit for the year ended 31 December 2007

	2007	2006
	£'000	£'000
(Loss)/profit for the year	(1,902)	71
Net (increase)/decrease in shareholder's deficit	(1,902)	71
Opening shareholder's deficit	(1,257)	(1,328)
Closing shareholder's deficit	(3,159)	(1,257)

# Sorven Holdings Limited

## Balance sheet as at 31 December 2007

	Notes	2007 £'000	2006 £'000
<b>Fixed assets</b>			
Tangible fixed assets	5	174	180
Investments	6	638	1,351
<b>Total fixed assets</b>		<b>812</b>	<b>1,531</b>
<b>Current assets</b>			
Debtors	7	16,012	16,511
Cash at bank and in hand		373	158
		<b>16,385</b>	<b>16,669</b>
<b>Creditors amounts falling due within one year</b>	8	<b>(20,356)</b>	<b>(19,457)</b>
<b>Net current liabilities</b>		<b>(3,971)</b>	<b>(2,788)</b>
<b>Total net liabilities</b>		<b>(3,159)</b>	<b>(1,257)</b>
<b>Capital and reserves</b>			
Called up share capital	10	2,299	2,299
Profit and loss account	11	(5,458)	(3,556)
<b>Total shareholder's deficit</b>		<b>(3,159)</b>	<b>(1,257)</b>

The financial statements on pages 4 to 13 were approved at the board meeting on the date shown below and were signed on its behalf by



N J Philip-Sørensen  
Director

16th June 2008



# **Sorven Holdings Limited**

## **Notes to the financial statements for the year ended 31 December 2007**

### **1 Principal accounting policies**

#### **Basis of accounting**

The financial statements are prepared under the historical cost convention and in accordance with the Companies Act (1985) and applicable UK accounting and financial reporting standards. A summary of the more important accounting policies, which have been applied consistently, is set out below.

#### **Going concern**

The directors have received confirmation of continuing financial support which covers a period of at least a year from the date of signing these financial statements from Skagen BV, the owner of the Company's ordinary shares. Therefore the financial statements have been drawn up on the basis that the Company is a going concern.

#### **Group financial statements**

The financial statements contain information about Sorven Holdings Limited as an individual Company and do not contain consolidated financial information as the parent of a group. The Company is exempt under Section 248 of the Companies Act 1985 from the requirement to prepare consolidated financial statements as the group it heads qualifies as a medium sized group.

#### **Cash flow statement**

The Company has taken advantage of the exemption from preparing a cash flow statement available under Financial Reporting Standard 1 (revised 1996), by virtue of being a wholly owned subsidiary of Skagen B V (see note 14).

#### **Related party transactions**

The Company has taken advantage of the exemption under FRS 8 "Related party disclosures" and has not reported transactions with other members of the Skagen Limited Group.

#### **Pensions**

The cost of providing retirement pensions and related benefits is charged against profits over the periods which benefit from the employees' services.

#### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements. Deferred tax assets are only recognised to the extent that it is considered more likely than not that they will be recoverable in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

# Sorven Holdings Limited

## Notes to the financial statements for the year ended 31 December 2007 (continued)

### 1 Principal accounting policies (continued)

#### Fixed asset investments

Fixed asset investments are stated at cost less an appropriate provision to reflect any impairment in the value of the investment

#### Tangible fixed assets

Tangible fixed assets are included at cost, including the incidental cost of acquisition. Depreciation is calculated to ensure that cost, less any residual value, is written off over the useful lives of the underlying assets

#### Operating lease rentals

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

#### Foreign currency

Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at the rate of exchange at the balance sheet date. Exchange differences arising on trading transactions are included in the profit and loss account

#### Depreciation

Depreciation is calculated on a straight line basis. The principal rates used are as follows

Plant, equipment and vehicles      10-33% per annum

### 2 Employees

	2007	2006
	£'000	£'000
<b>Staff costs</b>		
Wages and salaries	453	446
Social security costs	60	54
Other pension costs (see note 13)	41	26
	554	526
<hr/>		
	Number	Number
Monthly average number of employees	10	10

£230,255 remuneration was paid to the directors for their services to the Company during the year (2006 £125,984). The aggregate value of Company contributions paid into the defined contribution pension scheme on behalf of the directors was £11,387

# Sorven Holdings Limited

## Notes to the financial statements for the year ended 31 December 2007 (continued)

### 3 (Loss)/profit on ordinary activities before taxation

	2007	2006
	£'000	£'000
<b>Loss/(profit) on ordinary activities before taxation is stated after charging/(crediting)</b>		
Depreciation of tangible fixed assets – owned assets	51	50
Auditors' remuneration for audit services	10	8
Auditors' remuneration for taxation services	7	6
Profit on disposal of tangible fixed assets	(14)	(2)

### 4 Tax on (loss)/profit on ordinary activities

	2007	2006
	£'000	£'000
<b>Current tax</b>		
Current year tax charge	-	-
<b>Deferred tax</b>		
Origination and reversal	-	-
Total tax charge	-	-

The difference between the current tax charge for the year and the profit before taxation at the normal rate of corporation tax of 30% (2006 30%) is analysed below

Factors affecting tax charge for the year

	2007	2006
	£'000	£'000
(Loss)/profit on ordinary activities before taxation	(1,902)	71
Tax on ordinary activities at a standard rate of 30% (2006 30%)	(570)	21
<b>Effects of</b>		
Expenses not deductible for tax purposes	3	4
Accelerated capital allowances and other timing differences	480	3
Group relief surrendered/(claimed) – no payment received/made	87	(28)
<b>Current tax</b>	-	-

# Sorven Holdings Limited

## Notes to the financial statements for the year ended 31 December 2007 (continued)

### 5 Tangible fixed assets

	Plant, equipment and vehicles
	£'000
<b>Cost</b>	
At 1 January 2007	370
Additions	70
Disposals	(89)
<b>At 31 December 2007</b>	<b>351</b>
<b>Depreciation</b>	
At 1 January 2007	190
Charge for the year	51
Disposals	(64)
<b>At 31 December 2007</b>	<b>177</b>
<b>Net book amount</b>	
<b>At 31 December 2007</b>	<b>174</b>
At 31 December 2006	180

### 6 Fixed assets – investments

	Subsidiary undertakings
	£'000
<b>Cost</b>	
At 1 January 2007 and 31 December 2007	1,653
<b>Provision for impairment</b>	
At 1 January 2007	302
Charge for the year	713
<b>At 31 December 2007</b>	<b>1,015</b>
<b>Net book value</b>	
<b>At 31 December 2007</b>	<b>638</b>
At 31 December 2006	1,351

# Sorven Holdings Limited

## Notes to the financial statements for the year ended 31 December 2007 (continued)

### 6 Fixed assets – investments (continued)

The Company owns the whole of the issued £1 ordinary share capital of the following companies registered in England, except as otherwise noted

	Activity	Capital and reserves at 31 December 2007 £'000	Profit/(loss) for the year £'000
Sorven Properties Limited	Property Services	877	(473)
Round The World Promocean Limited	Yacht charter	(614)	(15)
Dormy House Hotel Limited	Hotel	(1,625)	(488)
Cotswold Conference Centre Limited	Conference Services	(2,056)	(297)
Farncombe Estate Adult Learning Centre Limited	Adult learning courses	(796)	(185)
Mike Golding Yacht Racing Limited*	Yacht Racing	227	818
Extreme Sailing Limited*	Yacht Racing	(82)	(11)

\* The Company holds 76% of the ordinary share capital of Mike Golding Yacht Racing Limited and Extreme Sailing Ltd

In the opinion of the directors, the value of the investment in the subsidiary undertakings is not less than the aggregate amount at which it is stated in these financial statements

### 7 Debtors

	2007 £'000	2006 £'000
<b>Amounts falling due within one year</b>		
Amounts owed by group undertakings	15,601	16,112
Other debtors	411	399
	<b>16,012</b>	<b>16,511</b>

# Sorven Holdings Limited

## Notes to the financial statements for the year ended 31 December 2007 (continued)

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

	2007	2006
	£'000	£'000
Trade creditors	31	44
Amounts owed to group undertakings	20,249	19,353
Taxation and social security	10	-
Accruals	66	60
	<b>20,356</b>	<b>19,457</b>

### 9 Deferred taxation

The potential deferred taxation liability/(asset) calculated at 28% (2006 30%) comprises

	2007	2006
	£'000	£'000
Accelerated capital allowances	(7)	(6)
Trading losses and short term timing differences	(445)	2
	<b>(452)</b>	<b>(4)</b>

No deferred taxation asset has been included in these financial statements, as in the opinion of the directors there is uncertainty surrounding the timing of future capital expenditure and generation of future profits

### 10 Called up share capital

	2007	2006
	£'000	£'000
<b>Authorised, allotted, issued and fully paid</b>		
2,299,000 Ordinary shares of £1 each	<b>2,299</b>	<b>2,299</b>

# Sorven Holdings Limited

## Notes to the financial statements for the year ended 31 December 2007 (continued)

### 11 Reserves

	Profit and loss account
	£'000
At 1 January 2007	(3,556)
Profit for the year	(1,902)
At 31 December 2007	(5,458)

### 12 Related party disclosures

The company provided an unsecured interest free loan to I E M M Bogaert, a director of the company. The balance outstanding at 31 December 2007 amounted to £249,397 (2006 £259,397) and the maximum amount that was outstanding during the year amounted to £259,397 (2006 £259,397).

Included in other debtors is £9,000 (2006 £nil) recoverable from the ultimate controlling party for services acquired by the Company on his behalf and recharged.

### 13 Pension arrangements

Pension arrangements are now provided through a stakeholder scheme, with benefits to pensioners based upon contributions made. The total pension cost for the year was £41,000 (2006 £26,000). As at 31 December 2007, there were £nil pension contributions unpaid (2006 £nil).

### 14 Ultimate parent undertaking and controlling party

The Company is a wholly owned subsidiary of Skagen B V, a company registered in the Netherlands.

The accounts of Skagen B V, which is the smallest group into which these financial statements are consolidated, are available from Skagen B V, Corkstraat 46, 3047AC Rotterdam, PO Box 37002, 3005 LA Rotterdam.

The ultimate parent company of Sorven Holdings Limited is Skagen Limited, which is incorporated in Bermuda. The shares of Skagen Limited are held by The Skagen 2004 Trust, of which the principal beneficiary is N J Philip-Sørensen.