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Sorven Holdings Limited  
Directors' report and financial statements  
for the year ended 31 December 2010

Registered number 2382336



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## **Sorven Holdings Limited**

### **Directors' report and financial statements for the year ended 31 December 2010**

	<b>Page</b>
Directors' report for the year ended 31 December 2010	1
Independent auditors' report to the members of Sorven Holdings Limited	3
Profit and loss account for the year ended 31 December 2010	4
Reconciliation of movement in total shareholder's funds for the year ended 31 December 2010	5
Balance sheet as at 31 December 2010	6
Notes to the financial statements for the year ended 31 December 2010	7

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# **Sorven Holdings Limited**

## **Directors' report for the year ended 31 December 2010**

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2010

### **Principal activities**

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 assets of the Company are detailed on page 6

The directors have taken the exemption under Section 415A of the Companies Act 2006 from undertaking the detailed business review requirements of section 417 of the Companies Act 2006

### **Future developments**

No significant change is anticipated in the activities of the Company

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

### **Transfers from reserves**

Details of the loss of £1,666,000 (2009 loss of £4,638,000) transferred from reserves are set out in the profit and loss account on page 4

### **Directors**

The directors of the Company during the year ended 31 December 2010 and up to the date of signing of the financial statements were

N J Philip-Sørensen (Deceased 18<sup>th</sup> January 2010)

I E M M Bogaert

M Philip-Sørensen (Appointed 5<sup>th</sup> March 2010)

# **Sorven Holdings Limited**

## **Directors' report for the year ended 31 December 2010 (continued)**

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Directors' 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). 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 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, and
- 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.

### **Disclosure of information to auditors**

In accordance with Section 418 of the Companies Act 2006, in the case of each director in office at the date the directors' report is approved, the following applies:

(a) so far as the director are aware, there is no relevant audit information of which the company's auditors are unaware, and

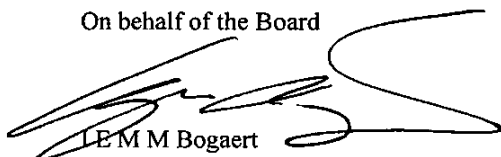
(b) they have taken all the steps that they ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### **Independent auditors**

The auditors, PricewaterhouseCoopers LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

The report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the Board



L E M M Bogaert  
Secretary

16 September 2011

## **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 2010 which comprise the Profit and Loss Account, the Reconciliation of Movement in Total Shareholder's Funds, the Balance Sheet, 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 Statement of Directors' Responsibilities set out on page 2 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's 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 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 company's affairs as at 31 December 2010 and of its loss 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.

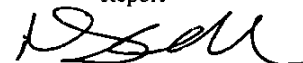
### **Opinion on other matter prescribed by the Companies Act 2006**

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



Mark Skedgel (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Birmingham

20 September 2011

## Sorven Holdings Limited

### Profit and loss account for the year ended 31 December 2010

Continuing operations		2010	2009
	Notes	£'000	£'000
Other operating income		874	970
Administrative expenses		(2,540)	(5,632)
<b>Operating loss</b>	3	<b>(1,666)</b>	<b>(4,662)</b>
Interest receivable and similar income		-	24
<b>Loss on ordinary activities before taxation</b>		<b>(1,666)</b>	<b>(4,638)</b>
Tax on loss on ordinary activities	4	-	-
<b>Loss for the year</b>	11	<b>(1,666)</b>	<b>(4,638)</b>

There are no other recognised gains or losses for the year other than the loss 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 funds for the year ended 31 December 2010**

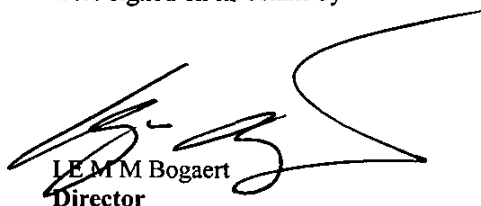
	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
Loss for the year	<b>(1,666)</b>	<b>(4,638)</b>
Increase in share capital	<b>-</b>	<b>16,400</b>
Net (decrease)/increase in shareholder's funds	<b>(1,666)</b>	<b>11,762</b>
Opening shareholder's funds/(deficit)	<b>5,161</b>	<b>(6,601)</b>
Closing shareholder's funds	<b>3,495</b>	<b>5,161</b>

# Sorven Holdings Limited

## Balance sheet as at 31 December 2010

	Notes	2010 £'000	2009 £'000
<b>Fixed assets</b>			
Tangible fixed assets	5	163	99
Investments	6	4,488	5,790
<b>Total fixed assets</b>		<b>4,651</b>	<b>5,889</b>
<b>Current assets</b>			
Debtors	7	9,402	9,117
Cash at bank and in hand		747	415
		<b>10,149</b>	<b>9,532</b>
<b>Creditors amounts falling due within one year</b>	8	<b>(11,305)</b>	<b>(10,260)</b>
<b>Net current liabilities</b>		<b>(1,156)</b>	<b>(728)</b>
<b>Net assets</b>		<b>3,495</b>	<b>5,161</b>
<b>Capital and reserves</b>			
Called up share capital	10	18,699	18,699
Profit and loss account	11	(15,204)	(13,538)
<b>Total shareholder's funds</b>		<b>3,495</b>	<b>5,161</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

  
J E M M Bogaert  
Director

16 September 2011

Sorven Holdings Limited  
Registered number 2382336

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# **Sorven Holdings Limited**

## **Notes to the financial statements for the year ended 31 December 2010**

### **1 Principal accounting policies**

#### **Basis of accounting**

The financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 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 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as the group that it heads is included within the consolidated financial statements of Skagen B V.

#### **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 15).

#### **Related party transactions**

As a wholly owned subsidiary, the Company has taken advantage of the exemption under Financial Reporting Standard 8 "Related party disclosures" and has not reported transactions with other members of the Skagen B V Group.

#### **Pensions**

The cost of providing retirement pensions and related benefits is charged to the profit and loss account in the year to which they relate.

#### **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 2010 (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

#### Depreciation

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

Plant, equipment and vehicles      10-33% per annum

#### Foreign currency

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

### 2 Employees

	2010	2009
	£'000	£'000
<b>Staff costs</b>		
Wages and salaries	404	566
Social security costs	45	65
Other pension costs (see note 12)	161	54
	610	685
	Number	Number
Monthly average number of employees - administration	8	11

£117,817 remuneration was paid to the directors for their services to the Company during the year (2009 £298,427). The aggregate value of Company contributions paid into the defined contribution pension scheme on behalf of the directors was £6,697 (2009 £16,969). One director is accruing benefits under the defined contribution pension scheme (2009 One).

# Sorven Holdings Limited

## Notes to the financial statements for the year ended 31 December 2010 (continued)

### 3 Operating loss

	2010	2009
	£'000	£'000
<b>Operating losses are stated after charging/(crediting)</b>		
Depreciation of tangible fixed assets – owned assets	69	50
Loss on disposal of tangible fixed assets	-	1
Impairment of fixed asset investments	1,300	10,884
Increase/(decrease) in provision for doubtful debts	217	(6,187)
Loss on the sale of subsidiary	141	-
<b>Services provided by the company's auditor</b>		
Fees payable for the audit	15	15
Fees payable for tax services	16	13

### 4 Tax on loss on ordinary activities

	2010	2009
	£'000	£'000
Current taxation	-	-
Deferred taxation	-	-
<b>Total tax charge</b>	-	-

The difference between the current tax charge for the year and the profit before taxation at the normal rate of corporation tax of 28% (2009 28%) is analysed below

	2010	2009
	£'000	£'000
<b>Loss on ordinary activities before taxation</b>	<b>(1,666)</b>	<b>(4,638)</b>
Tax on loss on ordinary activities at a standard rate of 28% (2009 28%)	(466)	(1,299)
Effects of		
Expenses not deductible for tax purposes	466	1,303
Accelerated capital allowances and other timing differences not recognised	8	5
Group relief claimed – no payment received	(8)	(9)
<b>Current tax</b>	<b>-</b>	<b>-</b>

## Sorven Holdings Limited

### Notes to the financial statements for the year ended 31 December 2010 (continued)

#### 4 Tax on loss on ordinary activities (continued)

The Finance Act (No 2) 2010 was substantively enacted on 20 July 2010 and includes legislation to reduce the main rate of corporation tax from 28% to 27% from 1 April 2011. However, this has no impact on the results for the financial year as no deferred tax has been recognised.

Further reductions to the UK corporation tax rate were announced in the June 2010 Budget. These changes, which were expected to be enacted separately each year, proposed reducing the rate by 1% per annum to 24% by 1 April 2014. These reductions have been amended by Budget 2011 on 23 March 2011. An additional reduction of 1% is proposed to the Financial Year beginning 1 April 2011 and rates will be reduced by three further one per cent cuts to 23% by the Financial Year beginning 1 April 2014.

The June 2010 Budget also included measures to reduce the rate of writing-down allowances on the main pool of plant and machinery expenditure to 18% and on the special rate pool to 8%, both with effect from 1 April 2012.

As at the balance sheet date these further proposed changes to rates and capital allowances had not been substantively enacted and, therefore, are not recognised in these financial statements. The impact of the proposed changes is not expected to be material to the balance sheet.

#### 5 Tangible fixed assets

	Plant equipment and vehicles
	£'000
<b>Cost</b>	
At 1 January 2010	367
Additions	153
Disposals	(130)
<b>At 31 December 2010</b>	<b>390</b>
<b>Accumulated depreciation</b>	
At 1 January 2010	268
Charge for the year	69
Disposals	(110)
<b>At 31 December 2010</b>	<b>227</b>
<b>Net book amount</b>	
<b>At 31 December 2010</b>	<b>163</b>
At 31 December 2009	99

## Sorven Holdings Limited

### Notes to the financial statements for the year ended 31 December 2010 (continued)

#### 6 Fixed assets – investments

	Subsidiary undertakings £'000
<b>Cost</b>	
At 1 January 2010	17,689
Disposals	(1,816)
At 31 December 2010	15,873
<b>Provision for impairment</b>	
At 1 January 2010	11,899
Increase in provision	1,300
Disposals	(1,814)
At 31 December 2010	11,385
<b>Net book value</b>	
<b>At 31 December 2010</b>	<b>4,488</b>
At 31 December 2009	5,790

During the year, the company sold its investment in Mike Golding Yacht Racing Limited and Extreme Sailing Limited, resulting in a loss of £141,000

The Company owns the whole of the issued £1 ordinary share capital of the following companies registered in England

	Activity	Capital and reserves at 31 December 2010 £'000	Profit/(loss) for the year £'000
Sorven Properties Limited	Property Services	6,257	33
Round The World Promocean Limited	Yacht charter	(322)	(47)
Dormy House Hotel Limited	Hotel	1,549	(572)
Cotswold Conference Centre Limited	Conference Services	(171)	(71)
Farncombe Estate Adult Learning Centre Limited	Adult learning courses	(133)	(281)

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

## Sorven Holdings Limited

### Notes to the financial statements for the year ended 31 December 2010 (continued)

#### 7 Debtors

	2010	2009
	£'000	£'000
<b>Amounts falling due within one year</b>		
Amounts owed by group undertakings	8,910	8,840
Other debtors	492	277
	9,402	9,117

Amounts owed by group undertakings are shown net of provisions for doubtful debts of £1,065,000 (2009 £848,000). The amounts owed by group undertakings are unsecured, at nil interest and for no fixed term.

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

	2010	2009
	£'000	£'000
Trade creditors	11	56
Amounts owed to group undertakings	11,225	10,129
Accruals	69	75
	11,305	10,260

The amounts owed to group undertakings are unsecured, at nil interest and for no fixed term.

#### 9 Deferred taxation

The potential deferred taxation asset calculated at 27% (2009 28%) comprises

	2010	2009
	£'000	£'000
Accelerated capital allowances	(25)	(17)

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 taxable profits.

# Sorven Holdings Limited

## Notes to the financial statements for the year ended 31 December 2010 (continued)

### 10 Called up share capital

	2010	2009
	£'000	£'000
<b>Authorised, allotted, issued and fully paid</b>		
18,699,000 (2009 18,699,000) Ordinary shares of £1 each	18,699	18,699

### 11 Reserves

	Profit and loss account
	£'000
At 1 January 2010	(13,538)
Loss for the year	(1,666)
<b>At 31 December 2010</b>	<b>(15,204)</b>

### 12 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 £161,000 (2009: £54,000). As at 31 December 2010, there were £nil pension contributions unpaid (2009: £nil).

### 13 Obligations under leases

The company has no outstanding obligations under operating leases.

### 14 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 2010 amounted to £124,397 (2009: £124,397) and the maximum amount that was outstanding during the year amounted to £124,397 (2009: £197,397).

### 15 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 largest and smallest group into which these financial statements are consolidated are available from Skagen B V, Corkstraat 46, 3047 AC Rotterdam.

The ultimate parent company of Sorven Holdings Limited is Ecover N V which is incorporated in the Netherlands Antilles. The ultimate shareholder of Ecover N V is The Skagen 2004 Trust of which the principal beneficiaries are the family of the late N J Philip-Sørensen (deceased 18th January 2010).