

Sorven Holdings Limited

Directors' report and financial statements  
for the year ended 31 December 2009

Registered number 2382336

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# **Sorven Holdings Limited**

## **Directors' report and financial statements for the year ended 31 December 2009**

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# **Sorven Holdings Limited**

## **Directors' report for the year ended 31 December 2009**

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2009

### **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 assets/(liabilities) of the Company are detailed on page 6

The directors have taken the exemption under the special provision of the small companies regime of the Companies Act 2006 from undertaking the detailed business review requirements of section 417 of the Companies Act 2006

### **Future developments**

On 31 May 2010, the entire share capital of the 100% owned subsidiary, Mike Golding Yacht Racing Limited was sold for a consideration of £1. As part of the sales agreement, the amounts receivable from Mike Golding Yacht Racing Limited at 31 December 2009 were reduced by £471,000. This has resulted in an impairment in the carrying value of the investment in Mike Golding Yacht Racing Limited of £234,000 and an increase in the provision for doubtful debts of £471,000 as at 31 December 2009.

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 2009 (2008: nil). Details of the loss of £4,638,000 (2008: loss of £3,442,000) 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.

### **Directors**

The directors of the Company during the year ended 31 December 2009 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 2009 (continued)

### Directors' responsibilities statement

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:

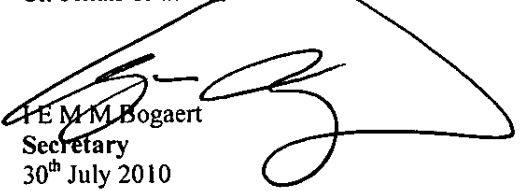
(a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and

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

### Independent auditors

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

On behalf of the Board

  
E M M Bogaert  
Secretary  
30<sup>th</sup> July 2010

## **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 2009 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Movement in Total Shareholder's Funds 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 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 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 2009 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.

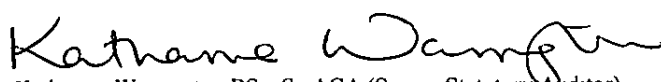
### **Opinion on other matter prescribed by the Companies Act 2006**

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.



Katharine Warrington BSocSc ACA (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Birmingham

5 August 2010

# Sorven Holdings Limited

## Profit and loss account for the year ended 31 December 2009

Continuing operations		2009	2008
	Notes	£'000	£'000
Management fees		970	939
Administrative expenses before change in provision for doubtful debts		(935)	(958)
Impairment of fixed asset investments		(10,884)	-
Decrease/(increase) in provision for doubtful debts		6,187	(3,565)
Total administrative expenses		(5,632)	(4,523)
Operating loss	3	(4,662)	(3,584)
Interest receivable and similar income		24	142
Loss on ordinary activities before taxation		(4,638)	(3,442)
Tax on loss on ordinary activities	4	-	-
Loss for the year	11	(4,638)	(3,442)

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 2009**

	2009	2008
	£'000	£'000
Loss for the year	(4,638)	(3,442)
Increase in share capital	16,400	-
Net increase/(decrease) in shareholder's funds/(deficit)	11,762	(3,442)
Opening shareholder's deficit	(6,601)	(3,159)
Closing shareholder's funds/(deficit)	5,161	(6,601)

# Sorven Holdings Limited

## Balance sheet as at 31 December 2009

	Notes	2009 £'000	2008 £'000
<b>Fixed assets</b>			
Tangible fixed assets	5	99	130
Investments	6	5,790	638
<b>Total fixed assets</b>		<b>5,889</b>	<b>768</b>
<b>Current assets</b>			
Debtors	7	9,117	15,340
Cash at bank and in hand		415	363
		<b>9,532</b>	<b>15,703</b>
<b>Creditors amounts falling due within one year</b>	8	<b>(10,260)</b>	<b>(23,072)</b>
<b>Net current liabilities</b>		<b>(728)</b>	<b>(7,369)</b>
<b>Total net assets/(liabilities)</b>		<b>5,161</b>	<b>(6,601)</b>
<b>Capital and reserves</b>			
Called up share capital	10	18,699	2,299
Profit and loss account	11	(13,538)	(8,900)
<b>Total shareholder's funds/(deficit)</b>		<b>5,161</b>	<b>(6,601)</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

30<sup>th</sup> July 2010

Sorven Holdings Limited  
Registered number 2382336



# **Sorven Holdings Limited**

## **Notes to the financial statements for the year ended 31 December 2009**

### **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.

#### **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 16).

#### **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 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 2009 (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

#### Leased assets

Payments under operating leases are charged against profits in the year the payments are made

#### 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

### 2 Employees

	2009	2008
	£'000	£'000
<b>Staff costs</b>		
Wages and salaries	566	546
Social security costs	65	68
Other pension costs (see note 12)	54	51
	685	665
<b>Number</b>		
Monthly average number of employees	11	11

£298,427 remuneration was paid to the directors for their services to the Company during the year (2008 £275,924). The aggregate value of Company contributions paid into the defined contribution pension scheme on behalf of the directors was £16,969 (2008: £14,481)

# Sorven Holdings Limited

## Notes to the financial statements for the year ended 31 December 2009 (continued)

### 3 Operating loss

	2009	2008
	£'000	£'000
<b>Operating losses are stated after charging</b>		
Depreciation of tangible fixed assets – owned assets	50	53
Auditors' remuneration for audit services	15	12
Auditors' remuneration for taxation services	13	9
Loss on disposal of tangible fixed assets	1	8

### 4 Tax on loss on ordinary activities

	2009	2008
	£'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% (2008 28.5%) is analysed below

	2009	2008
	£'000	£'000
<b>Loss on ordinary activities before taxation</b>	<b>(4,638)</b>	<b>(3,442)</b>
Tax on loss on ordinary activities at a standard rate of 28% (2008 28.5%)	(1,299)	(981)
Effects of		
Expenses not deductible for tax purposes	1,303	1,023
Accelerated capital allowances and other timing differences not recognised	5	(4)
Group relief claimed – no payment received	(9)	(38)
<b>Current tax</b>	<b>-</b>	<b>-</b>

# Sorven Holdings Limited

## Notes to the financial statements for the year ended 31 December 2009 (continued)

### 5 Tangible fixed assets

	Plant equipment and vehicles
	£'000
<b>Cost</b>	
At 1 January 2009	353
Additions	20
Disposals	(6)
<b>At 31 December 2009</b>	<b>367</b>
<b>Accumulated depreciation</b>	
At 1 January 2009	223
Charge for the year	50
Disposals	(5)
<b>At 31 December 2009</b>	<b>268</b>
<b>Net book amount</b>	
<b>At 31 December 2009</b>	<b>99</b>
At 31 December 2008	130

### 6 Fixed assets – investments

	Subsidiary undertakings
	£'000
<b>Cost</b>	
At 1 January 2009	1,653
Additions	16,036
<b>At 31 December 2009</b>	<b>17,689</b>
<b>Provision for impairment</b>	
At 1 January 2009	1,015
Increase in provision	10,884
<b>At 31 December 2009</b>	<b>11,899</b>
<b>Net book value</b>	
<b>At 31 December 2009</b>	<b>5,790</b>
At 31 December 2008	638

# Sorven Holdings Limited

## Notes to the financial statements for the year ended 31 December 2009 (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 2009	Loss for the year
		£'000	£'000
Sorven Properties Limited	Property Services	6,224	(51)
Round The World Promocean Limited	Yacht charter	(275)	(1,362)
Dormy House Hotel Limited	Hotel	2,121	(593)
Cotswold Conference Centre Limited	Conference Services	581	(756)
Farncombe Estate Adult Learning Centre Limited	Adult learning courses	148	(237)
Mike Golding Yacht Racing Limited	Yacht Racing	235	(1,005)
Extreme Sailing Limited*	Yacht Racing	(93)	-

\* The Company holds 76% of the ordinary share capital of Extreme Sailing Ltd

The sale of Mike Golding Yacht Racing Limited subsequent to the year end is detailed in note 15

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

	2009	2008
	£'000	£'000
<b>Amounts falling due within one year</b>		
Amounts owed by group undertakings	8,840	14,993
Other debtors	277	347
	<b>9,117</b>	<b>15,340</b>

Amounts owed to group undertakings are shown net of provisions for doubtful debts of £848,000 (2008 £7,035,000)

# Sorven Holdings Limited

## Notes to the financial statements for the year ended 31 December 2009 (continued)

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

	2009	2008
	£'000	£'000
Trade creditors	56	43
Amounts owed to group undertakings	10,129	22,952
Accruals	75	77
	10,260	23,072

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 28% (2008: 28%) comprises

	2009	2008
	£'000	£'000
Accelerated capital allowances	(8)	(3)

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

The June 2010 Budget introduced changes in the UK Corporation Tax rates which will be implemented in the Finance Bill 2010, and will include legislation to reduce the main rate of corporation tax from 28 per cent to 27 per cent from 1 April 2011. Further reductions to the main rate are proposed to reduce the rate by 1 per cent per annum to 24 per cent by 1 April 2014. These changes were not substantively enacted at the balance sheet date. The unrecognised deferred tax relating to timing differences is measured at 28%, however the actual potential rate at the date of reversal will be lower due to the changes in tax rate mentioned above. However, this has no impact on the results for the year as no deferred tax asset has been recognised.

### 10 Called up share capital

	2009	2008
	£'000	£'000
<b>Authorised, allotted, issued and fully paid</b>		
18,699,000 (2008: 2,299,000) Ordinary shares of £1 each	18,699	2,299

On 10<sup>th</sup> December 2009, the company issued 16,400,000 Ordinary shares of £1 each at par

# Sorven Holdings Limited

## Notes to the financial statements for the year ended 31 December 2009 (continued)

### 11 Reserves

	Profit and loss account
	£'000
At 1 January 2009	(8,900)
Loss for the year	(4,638)
At 31 December 2009	(13,538)

### 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 £54,000 (2008 £51,000). As at 31 December 2009, there were £nil pension contributions unpaid (2008 £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 2009 amounted to £124,397 (2008 £199,397) and the maximum amount that was outstanding during the year amounted to £197,397 (2008 £249,397).

Included in other debtors is £nil (2008 £10,000) recoverable from the ultimate controlling party for services acquired by the Company on his behalf and recharged.

### 15 Subsequent events

On 31 May 2010, the entire share capital of the 100% owned subsidiary, Mike Golding Yacht Racing Limited was sold for a consideration of £1. As part of the sales agreement, the amounts receivable from Mike Golding Yacht Racing Limited at 31 December 2009 were reduced by £471,000. This has resulted in an impairment in the carrying value of the investment in Mike Golding Yacht Racing Limited of £234,000 and an increase in the provision for doubtful debts of £471,000 as at 31 December 2009.

### 16 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, 3047 AC Rotterdam.

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