

**ORTONA LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**



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## ORTONA LIMITED

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### COMPANY INFORMATION

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<b>Directors</b>	S G S Allen E J Brundle T H J Brundle D K Burch A J Dawson S M Dawson D J Hupton K J Hupton
<b>Company secretary</b>	S G S Allen
<b>Registered number</b>	02217834
<b>Registered office</b>	55 Colegate Norwich Norfolk NR3 1DD
<b>Independent auditors</b>	Larking Gowen LLP Chartered Accountants & Statutory Auditors King Street House 15 Upper King Street Norwich NR3 1RB

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**ORTONA LIMITED**

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## ORTONA LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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The directors present their report and the financial statements for the year ended 31 December 2020.

#### Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 to 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.

#### Principal activity

The principal activity of the Company is that of a non-trading holding company. The principal activities of the Group include property investment, investing in listed shares and management services.

#### Directors

The directors who served during the year were:

S G S Allen  
E J Brundle  
T H J Brundle  
D K Burch  
A J Dawson  
S M Dawson  
D J Hupton  
K J Hupton

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**ORTONA LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

**Auditors**

The auditors, Larking Gowen LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



.....  
**S G S Allen**  
Director

Date: 22 March 2021

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## ORTONA LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ORTONA LIMITED

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#### Opinion

We have audited the financial statements of Ortona Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2020, which comprise the Group Statement of comprehensive income, the Group and Company Statements of financial position, the Group and Company Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2020 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 23 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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## ORTONA LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ORTONA LIMITED (CONTINUED)

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#### Other information

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

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

We have nothing to report in this regard.

#### Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

#### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

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

- adequate accounting records have not been kept 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Group strategic report.

#### Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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## ORTONA LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ORTONA LIMITED (CONTINUED)

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#### **Auditors' responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

#### **The Extent to which the audit was considered capable of detecting irregularities including fraud**

Due to the field in which the Company operates, we identified the following areas as those most likely to have a material impact on the financial statements: health and safety; employment law; EPC regulations; GDPR and compliance with the UK Companies Act.

Our approach to identifying and assessing the risks of material misstatements in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the investment property valuation; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating .

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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



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ORTONA LIMITED

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ORTONA LIMITED (CONTINUED)

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**Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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.



Charles Savory ACA (Senior statutory auditor)

for and on behalf of  
**Larking Gowen LLP**

Chartered Accountants  
Statutory Auditors

King Street House  
15 Upper King Street  
Norwich  
NR3 1RB

26 March 2021

ORTONA LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £	2019 £
Turnover		1,119,424	1,227,674
Administrative expenses		(286,145)	(272,180)
Other operating income		10,000	-
<b>Operating profit</b>		<b>843,279</b>	<b>955,494</b>
Interest receivable		-	15
Interest payable		(22,125)	(34,097)
Fair value movements		(158,032)	233,252
<b>Profit before taxation</b>		<b>663,122</b>	<b>1,154,664</b>
Tax on profit		(241,607)	(217,531)
<b>Profit for the financial year</b>		<b>421,515</b>	<b>937,133</b>
 <b>Total comprehensive income for the year</b>		 <b>421,515</b>	 <b>937,133</b>

The notes on pages 14 to 30 form part of these financial statements.

**ORTONA LIMITED**  
**REGISTERED NUMBER: 02217834**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	7	139,171	139,463
Investments	8	1,024,265	1,314,333
Investment property	9	18,098,167	18,464,517
		<u>19,261,603</u>	<u>19,918,313</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	10	290,009	375,621
Cash at bank and in hand	11	1,018,909	180,052
		<u>1,308,918</u>	<u>555,673</u>
Creditors: amounts falling due within one year	12	(588,617)	(842,772)
<b>Net current assets/(liabilities)</b>		<u>720,301</u>	<u>(287,099)</u>
<b>Total assets less current liabilities</b>		<u>19,981,904</u>	<u>19,631,214</u>
Creditors: amounts falling due after more than one year	13	(395,581)	(562,911)
<b>Provisions for liabilities</b>			
Deferred taxation	15	(624,552)	(527,899)
		<u>(624,552)</u>	<u>(527,899)</u>
<b>Net assets</b>		<u>18,961,771</u>	<u>18,540,404</u>
<b>Capital and reserves</b>			
Called up share capital	16	94,368	94,368
Share premium account	17	4,638,610	4,638,610
Fair value reserve	17	6,393,606	6,750,916
Capital redemption reserve	17	453	453
Profit and loss account	17	7,834,734	7,056,057
		<u>18,961,771</u>	<u>18,540,404</u>

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**ORTONA LIMITED**  
**REGISTERED NUMBER: 02217834**

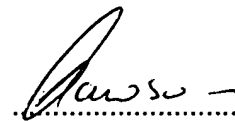
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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 DECEMBER 2020**

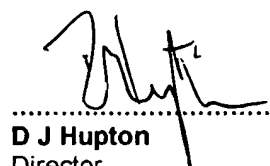
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The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

  
.....  
**S M Dawson**  
Director

Date: 22 March 2021

  
.....  
**D J Hupton**  
Director

Date: 22 March 2021

The notes on pages 14 to 30 form part of these financial statements.

**ORTONA LIMITED**  
**REGISTERED NUMBER: 02217834**

**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	7	1,171	1,463
Investments	8	12,941,855	12,941,855
Investment property	9	36,667	36,667
		<u>12,979,693</u>	<u>12,979,985</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	10	3,000	65,415
Cash at bank and in hand	11	782	391
		<u>3,782</u>	<u>65,806</u>
Creditors: amounts falling due within one year	12	(1,107,769)	(1,297,894)
<b>Net current liabilities</b>		<u>(1,103,987)</u>	<u>(1,232,088)</u>
<b>Total assets less current liabilities</b>		<u>11,875,706</u>	<u>11,747,897</u>
<b>Net assets</b>		<u><u>11,875,706</u></u>	<u><u>11,747,897</u></u>
<b>Capital and reserves</b>			
Called up share capital	16	94,368	94,368
Share premium account	17	4,638,610	4,638,610
Revaluation reserve	17	14,667	14,667
Capital redemption reserve	17	453	453
Profit and loss account	17	7,127,608	6,999,799
		<u><u>11,875,706</u></u>	<u><u>11,747,897</u></u>

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**ORTONA LIMITED**  
**REGISTERED NUMBER: 02217834**

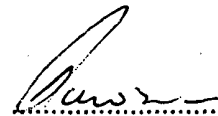
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**COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 DECEMBER 2020**

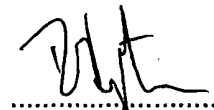
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The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

  
.....  
**S M Dawson**  
Director

Date: 22 March 2021

  
.....  
**D J Hupton**  
Director

Date: 22 March 2021

**ORTONA LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £	Share premium account £	Capital redemption reserve £	Revaluation reserve £	Profit and loss account £	Total equity £
<b>At 1 January 2019</b>	<b>94,368</b>	<b>4,638,610</b>	<b>-</b>	<b>6,568,571</b>	<b>6,621,492</b>	<b>17,923,041</b>
<b>Comprehensive income for the year</b>						
Profit for the year	-	-	-	-	937,133	937,133
Dividends: Equity capital	-	-	-	-	(267,947)	(267,947)
Purchase of own shares	-	-	453	-	(52,276)	(51,823)
Transfer to/from profit and loss account	-	-	-	182,345	(182,345)	-
<b>At 1 January 2020</b>	<b>94,368</b>	<b>4,638,610</b>	<b>453</b>	<b>6,750,916</b>	<b>7,056,057</b>	<b>18,540,404</b>
<b>Comprehensive income for the year</b>						
Profit for the year	-	-	-	-	421,515	421,515
Dividends: Equity capital	-	-	-	-	(148)	(148)
Transfer to/from profit and loss account	-	-	-	(357,310)	357,310	-
<b>At 31 December 2020</b>	<b>94,368</b>	<b>4,638,610</b>	<b>453</b>	<b>6,393,606</b>	<b>7,834,734</b>	<b>18,961,771</b>

The notes on pages 14 to 30 form part of these financial statements.

**ORTONA LIMITED**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £	Share premium account £	Capital redemption reserve £	Revaluation reserve £	Profit and loss account £	Total equity £
<b>At 1 January 2019</b>	<b>94,368</b>	<b>4,638,610</b>	<b>-</b>	<b>14,667</b>	<b>7,048,360</b>	<b>11,796,005</b>
<b>Comprehensive income for the year</b>						
Profit for the year	-	-	-	-	271,662	271,662
Dividends: Equity capital	-	-	-	-	(267,947)	(267,947)
Purchase of own shares	-	-	453	-	(52,276)	(51,823)
<b>At 1 January 2020</b>	<b>94,368</b>	<b>4,638,610</b>	<b>453</b>	<b>14,667</b>	<b>6,999,799</b>	<b>11,747,897</b>
<b>Comprehensive income for the year</b>						
Profit for the year	-	-	-	-	127,957	127,957
Dividends: Equity capital	-	-	-	-	(148)	(148)
<b>At 31 December 2020</b>	<b>94,368</b>	<b>4,638,610</b>	<b>453</b>	<b>14,667</b>	<b>7,127,608</b>	<b>11,875,706</b>

The notes on pages 14 to 30 form part of these financial statements.



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## ORTONA LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1. General information

Ortona Limited is a private company, limited by shares, incorporated in England and Wales. Its registered office is 55 Colegate, Norwich, Norfolk, NR3 1DD.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The financial statements are presented in sterling which is the functional currency of the Company and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The following principal accounting policies have been applied:

##### 2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

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## ORTONA LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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## 2. Accounting policies (continued)

### 2.3 Going concern

The Directors have considered the Company's position at the time of signing the financial statements, and in particular the continued issues caused by Covid-19 and its potential impact on the Company and the wider economy.

The Directors have produced revised forecasts for the remainder of the financial year and beyond and believe the Company is well placed to manage the challenges of the pandemic and will have sufficient cash to fund its operation, even before taking into account any of the range of measures the directors could take to mitigate ongoing costs should they need to, or taking advantage of any of the currently available government backed schemes.

Based on this, the Directors have concluded that they have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future and therefore continue to adopt the going concern basis of accounting in preparing these financial statements.

### 2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue represents rental receivable from the letting of the group's property portfolio and excludes Value Added Tax. The income is recognised on an accruals basis. Rent is deemed to be receivable over the period for which a tenant occupies a property. Income from fixed asset investments represents dividends receivable on UK listed investments and is recognised when the Group becomes entitled to the dividend.

### 2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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## ORTONA LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 2. Accounting policies (continued)

##### 2.5 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Freehold land and buildings	- Not depreciated
Fixtures and fittings	- 20% per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

Non-investment freehold land and buildings are stated at cost and are not depreciated. This treatment, as regards to the Company's properties, may be a departure from the requirements of the Companies Act concerning depreciation of fixed assets. However, in the opinion of the directors, depreciation of freehold buildings is inappropriate for general application. It is the Company's practice to maintain these assets in a continual state of sound repair and to extend and make improvements thereto from time to time and, accordingly, the directors consider that the lives of those assets are so long and residual values are so high that their depreciation is insignificant. Any impairment loss on freehold buildings, resulting from physical damage or deterioration, is charged to the Statement of Comprehensive Income.

Impairment reviews are carried out to ensure the carrying value can be supported.

##### 2.6 Investment property

Investment property is carried at fair value determined annually and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Consolidated Statement of Comprehensive Income.

##### 2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in listed company shares are remeasured to market value at each Statement of financial position date. Gains and losses on remeasurement are recognised in the Consolidated Statement of Comprehensive Income for the period.

##### 2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. Accounting policies (continued)**

**2.9 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.10 Financial instruments**

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

**2.11 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.12 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated statement of comprehensive income in the same period as the related expenditure.

**2.13 Finance costs**

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.14 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. Accounting policies (continued)**

**2.15 Operating leases: the Group as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2019 to continue to be charged over the period to the first market rent review rather than the term of the lease.

**2.16 Pensions**

**Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

**2.17 Interest income**

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

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## ORTONA LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 2. Accounting policies (continued)

##### 2.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

#### 3. Auditors' remuneration

	2020 £	2019 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>10,500</u>	<u>10,325</u>

#### 4. Employees

The average monthly number of employees, including directors, during the year was 9 (2019 - 9).

**ORTONA LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**5. Dividends**

	2020 £	2019 £
Dividends paid	148	267,947

**6. Parent company profit for the year**

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The profit after tax of the parent Company for the year was £127,957. (2019 - £271,662).

**7. Tangible fixed assets**

**Group**

	Freehold property £	Fixtures and fittings £	Total £
<b>Cost</b>			
At 1 January 2020	138,000	27,719	165,719
At 31 December 2020	138,000	27,719	165,719
<b>Depreciation</b>			
At 1 January 2020	-	26,256	26,256
Charge for the year on owned assets	-	292	292
At 31 December 2020	-	26,548	26,548
<b>Net book value</b>			
At 31 December 2020	138,000	1,171	139,171
At 31 December 2019	138,000	1,463	139,463

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ORTONA LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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7. Tangible fixed assets (continued)

Company

	Fixtures and fittings £
<b>Cost</b>	
At 1 January 2020	27,719
At 31 December 2020	<u>27,719</u>
<b>Depreciation</b>	
At 1 January 2020	26,256
Charge for the year on owned assets	292
At 31 December 2020	<u>26,548</u>
<b>Net book value</b>	
At 31 December 2020	<u><u>1,171</u></u>
At 31 December 2019	<u><u>1,463</u></u>



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ORTONA LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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8. Fixed asset investments

Group

	Listed investments £
<b>Cost or valuation</b>	
At 1 January 2020	1,314,333
Additions	74,904
Disposals	(305,201)
Revaluations	(59,771)
At 31 December 2020	<u>1,024,265</u>
<b>Net book value</b>	
At 31 December 2020	<u><u>1,024,265</u></u>
At 31 December 2019	<u><u>1,314,333</u></u>

The historic cost of these listed investments at 31 December 2020 was £666,942 (2019 - £897,239).

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ORTONA LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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8. Fixed asset investments (continued)

Company

	Listed investments £
<b>Cost or valuation</b>	
At 1 January 2020	12,941,855
At 31 December 2020	<u>12,941,855</u>
<b>Net book value</b>	
At 31 December 2020	<u>12,941,855</u>
At 31 December 2019	<u>12,941,855</u>

**Subsidiary undertakings**

The Company holds 100% of the ordinary share capital of the following companies, all of whom are incorporated in England and whose registered office is 55 Colegate, Norwich, Norfolk, NR3 1DD.

**Ortona Management Limited** - principal activity is the provision of management services.

**Ortona Properties Limited** - principal activity is that of holding a portfolio of residential and commercial properties.

**Ortona Investments Limited** - principal activity is that of holding a portfolio of UK listed investments.

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**ORTONA LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**9. Investment property**

**Group**

	<b>Freehold investment property £</b>
<b>Valuation</b>	
At 1 January 2020	<b>18,464,517</b>
Additions at cost	<b>47,911</b>
Disposals	<b>(316,000)</b>
Deficit on revaluation	<b>(98,261)</b>
<b>At 31 December 2020</b>	<b>18,098,167</b>

The 2020 valuations were made by Mr D K Burch, a director of the Group and member of the Royal Institute of Chartered Surveyors (RICS), on a fair value basis.

The open market value of the Group's residential property portfolio was assessed based on Land Registry data on local agent's particulars for sales values for similar properties where available. The commercial investment properties were based on external valuations or comparable property values where available. In all other cases the CBRE index was used to assess the change in the capital value of investment properties.

The historic costs of revalued assets in this Company is £12,456,573 (2019 - £12,628,723).

A fellow Group undertaking, Ortona Management Limited, holds bank loans which are secured by fixed charges over certain investment properties held by Ortona Properties Limited.

**ORTONA LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**9. Investment property (continued)**

**Company**

**Freehold  
investment  
property  
£**

**Valuation**

At 1 January 2020

36,667

**At 31 December 2020**

**36,667**

The 2020 valuations were made by Mr D K Burch, a director of the Company and member of the Royal Institute of Chartered Surveyors (RICS), on a fair value basis.

The historic cost of the investment properties in this Company is £22,000 (2019 - £22,000).

**10. Debtors**

	<b>Group 2020 £</b>	<i>Group 2019 £</i>	<b>Company 2020 £</b>	<i>Company 2019 £</i>
Trade debtors	118,300	120,512	-	-
Other debtors	3,688	65,601	3,000	65,415
Prepayments and accrued income	168,021	189,508	-	-
	<b>290,009</b>	<i>375,621</i>	<b>3,000</b>	<i>65,415</i>

**11. Cash and cash equivalents**

	<b>Group 2020 £</b>	<i>Group 2019 £</i>	<b>Company 2020 £</b>	<i>Company 2019 £</i>
Cash at bank and in hand	1,018,909	180,052	782	391
Less: bank overdrafts	-	(189,407)	-	(142,209)

**ORTONA LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**12. Creditors: Amounts falling due within one year**

	<b>Group 2020 £</b>	<i>Group 2019 £</i>	<b>Company 2020 £</b>	<i>Company 2019 £</i>
Bank overdrafts	-	189,407	-	142,209
Bank loans	<b>145,679</b>	240,000	-	-
Amounts owed to group undertakings	-	-	<b>1,105,016</b>	1,153,260
Amounts owed to associates	<b>40,000</b>	45,000	-	-
Corporation tax	<b>90,154</b>	111,857	-	-
Other taxation and social security	<b>46,522</b>	257	-	-
Other creditors	<b>266,262</b>	256,251	<b>2,753</b>	2,425
	<b>588,617</b>	842,772	<b>1,107,769</b>	1,297,894

The bank overdrafts are secured by an unlimited inter company guarantee over certain properties held by the Group.

The bank loans are secured by fixed charges over certain properties held by the Group.

**13. Creditors: Amounts falling due after more than one year**

	<b>Group 2020 £</b>	<i>Group 2019 £</i>
Bank loans	<b>395,581</b>	562,911
	<b>395,581</b>	562,911

Bank loans are secured by fixed charges over certain properties held by the Group.

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ORTONA LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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**14. Loans**

Analysis of the maturity of loans is given below:

	<b>Group 2020 £</b>	<i>Group 2019 £</i>
<b>Amounts falling due within one year</b>		
Bank loans	<b>145,679</b>	240,000
<b>Amounts falling due 1-2 years</b>		
Bank loans	<b>105,024</b>	146,345
<b>Amounts falling due 2-5 years</b>		
Bank loans	<b>290,557</b>	279,000
<b>Amounts falling due after more than 5 years</b>		
Bank loans	-	137,566
	<b>541,260</b>	802,911

The bank loans are repayable over a 10 year term ending March 2021 and June 2025 respectively. The bank loans are secured by fixed charges over certain properties held by the Group. The interest for the bank loans are calculated at 2.5% above LIBOR for the bank loan whose term ends March 2021 and 2.75% above LIBOR for the bank loan whose term ends June 2025.

**15. Deferred taxation**

**Group**

	<b>2020 £</b>	<i>2019 £</i>
At beginning of year	<b>(527,899)</b>	(472,225)
Charged to profit or loss	<b>(96,653)</b>	(55,674)
<b>At end of year</b>	<b>(624,552)</b>	(527,899)

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ORTONA LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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15. Deferred taxation (continued)

	Group 2020 £	Group 2019 £
Accelerated capital allowances	(21,348)	(19,101)
Capital gain on listed investments	(48,717)	(53,257)
Capital gain on investment property	(554,487)	(455,774)
Losses and other deductions	-	233
	<u>(624,552)</u>	<u>(527,899)</u>

16. Share capital

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
900,863 (2019 - 900,863) Ordinary A shares of £0.05 each	45,043	45,043
934,923 (2019 - 934,923) Ordinary B shares of £0.05 each	46,746	46,746
51,597 (2019 - 51,597) Ordinary C shares of £0.05 each	2,579	2,579
	<u>94,368</u>	<u>94,368</u>

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## ORTONA LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 17. Reserves

##### Fair value reserve

The fair value reserve comprises current year and previous years gain or losses on investment property and listed investments.

##### Capital redemption reserve

The capital redemption reserve is a non-distributable reserve arising from the Company's purchase of its own shares.

#### 18. Contingent liabilities

During the year ended 31 December 2015 the Group received a lease premium on the granting of a 99 year lease. The Group has a contingent liability commencing at £100,000 at 24 December 2017 and reducing to £Nil by 30 December 2030 to buy back the lease at any time at the request of the tenant. The balance at 30 December 2020 was £90,000 (2019 - £100,000).

A cross guarantee dated 25 June 2012 is held by the Company's bankers between Ortona Limited, Ortona Management Limited, Ortona Properties Limited and Ortona Investments Limited. As at 31 December 2020, total Group borrowings with the bank totalled £541,260 (2019 - £992,318).

#### 19. Pension commitments

The Group contributes to defined contributions pension schemes on behalf of certain individuals. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £8,095 (2019 - £8,189). Contributions of £742 (2019 - £742) were outstanding at the year end.

#### 20. Commitments under operating leases

At 31 December 2020 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>Group 2020 £</b>	<b>Group 2019 £</b>
Not later than 1 year	<b>4,150</b>	-
Later than 1 year and not later than 5 years	<b>4,150</b>	-
Later than 5 years	<b>7,609</b>	-
	<b>15,909</b>	-

#### 21. Controlling party

The directors control the Company by virtue of their shareholdings in the Company's issued ordinary share capital.



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**ORTONA LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**22. Related party transactions**

During the prior year, Ortona Management Limited borrowed £45,000 from Ortona (Nominees) Limited, a company under common directorship. At the year end, £40,000 remained outstanding (2019 - £45,000).

**23. Provisions available for audits of small entities**

In common with many other businesses of our size and nature, we used our audit firm to provide and help install a digital accounts system.