

ORTONA PROPERTIES LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2021



ORTONA PROPERTIES LIMITED
REGISTERED NUMBER: 07999907

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Investment property	4	19,445,500	18,246,500
		<u>19,445,500</u>	<u>18,246,500</u>
Current assets			
Debtors: amounts falling due within one year	5	209,925	311,342
Cash at bank and in hand	6	676,576	443,923
		<u>886,501</u>	<u>755,265</u>
Creditors: amounts falling due within one year	7	(14,674,756)	(14,586,625)
Net current liabilities		<u>(13,788,255)</u>	<u>(13,831,360)</u>
Total assets less current liabilities		<u>5,657,245</u>	<u>4,415,140</u>
Provisions for liabilities			
Deferred tax	9	(903,901)	(575,835)
		<u>(903,901)</u>	<u>(575,835)</u>
Net assets		<u><u>4,753,344</u></u>	<u><u>3,839,305</u></u>
Capital and reserves			
Called up share capital		1	1
Fair value reserve		4,054,772	3,183,838
Profit and loss account		698,571	655,466
		<u><u>4,753,344</u></u>	<u><u>3,839,305</u></u>

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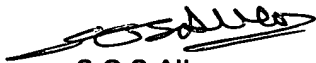
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2021

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 have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with 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 on 30 April 2022.



S G S Allen
Director

The notes on pages 3 to 9 form part of these financial statements.

ORTONA PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

Ortona Properties Limited is a private company, limited by shares, incorporated in England and Wales. The 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 financial statements are presented in sterling which is the functional currency of the Company and rounded to the nearest £.

The following principal accounting policies have been applied:

2.2 Going concern

The Company, and Group of which it is part, has considerable financial resources and continues to trade profitably in the current financial year. The net current liabilities are caused by amounts owed to the Group and these will not be demanded by the Group until the Company is in a position to pay.

As a consequence, 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.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover 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.

Rent is deemed to be receivable over the period for which a tenant occupies a property.

2.4 Finance costs

Finance costs are charged to the 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.

ORTONA PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.5 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the 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 operates and generates 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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.

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 Statement of comprehensive income.

Any fair value movement is transferred to the fair value reserve. Where any decline in value below costs is considered to be permanent, the deficit is not transferred to the fair value reserve.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.8 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.

2.9 Creditors

Short term creditors are measured at the transaction price.

ORTONA PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.10 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans to and from related parties.

2.11 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.

3. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2021 No.	2020 No.
Directors	<u>5</u>	<u>5</u>

ORTONA PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

4. Investment property

	Freehold investment property £
Valuation	
At 1 January 2021	18,246,500
Surplus on revaluation	1,199,000
At 31 December 2021	<u>19,445,500</u>

The 2021 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 open market value of the Company'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 £12,463,259 (2020 - £12,463,259).

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.

5. Debtors

	2021 £	2020 £
Trade debtors	64,055	117,133
Other debtors	-	26,188
Prepayments and accrued income	145,870	168,021
	<u>209,925</u>	<u>311,342</u>

6. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	<u>676,576</u>	<u>443,923</u>

ORTONA PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Amounts owed to group undertakings	14,346,197	14,276,203
Corporation tax	84,000	59,474
Other creditors	244,559	250,948
	<u>14,674,756</u>	<u>14,586,625</u>

The amounts owed to group undertakings are repayable on demand and formal agreements are in place upon which interest is paid at 3.25% above LIBOR.

8. Fair value reserve

	2021
	£
At 1 January 2021	3,183,838
Transfer from profit and loss - fair value on investment property	1,199,000
Deferred tax on fair value movement on investment property	(328,066)
Disposal of investment property - realisation of gain	-
	<u>4,054,772</u>

ORTONA PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

9. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	28,090	21,348
Capital gains	875,811	554,487
	<u>903,901</u>	<u>575,835</u>

10. Contingent liabilities

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 2021, total Group borrowings with the bank totalled £394,760 (2020 - £541,260).

During the year ended 31 December 2015 the Company received a lease premium on the granting of a 99 year lease. The Company 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 31 December 2021 stands at £80,000 (2020 - £90,000).

11. Post balance sheet events

After the year end, the Company purchased an investment property for £1,142,989.

12. Controlling party

The immediate and ultimate parent undertaking of the Company is Ortona Limited, a Company registered in England and Wales. Ortona Limited prepares consolidated financial statements in which the results of Ortona Investments Limited are included. These consolidated financial statements are available from Companies House, Cardiff, CF14 3UZ.

The Company was under the control of the directors throughout the period by virtue of their controlling interest in the share capital of the ultimate parent undertaking, Ortona Limited.

13. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2021 was unqualified.

The audit report was signed on 23/5/2022 by Charles Savory FCA (Senior Statutory Auditor) on behalf of Larking Gowen LLP.

ORTONA PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

14. 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.