

ORTONA MANAGEMENT LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

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ORTONA MANAGEMENT LIMITED
REGISTERED NUMBER: 07999915

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
Current assets			
Debtors: amounts falling due within one year	5	15,938,720	16,295,848
Cash at bank and in hand	6	-	17,621
		<u>15,938,720</u>	<u>16,313,469</u>
Creditors: amounts falling due within one year	7	(402,491)	(828,065)
Net current assets		<u>15,536,229</u>	<u>15,485,404</u>
Total assets less current liabilities		<u>15,536,229</u>	<u>15,485,404</u>
Creditors: amounts falling due after more than one year	8	(1,059,347)	(1,308,197)
Net assets		<u><u>14,476,882</u></u>	<u><u>14,177,207</u></u>
Capital and reserves			
Called up share capital		12,941,854	12,941,854
Profit and loss account		1,535,028	1,235,353
		<u><u>14,476,882</u></u>	<u><u>14,177,207</u></u>

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 by:



S G S Allen
Director

Date: 26 March 2018

The notes on pages 2 to 7 form part of these financial statements.

ORTONA MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. General information

Ortona Management 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 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 Group of which this Company is part has considerable financial resources and the Company is forecast to trade profitably in the current financial year. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook. Accordingly the directors believe it remains appropriate to prepare the financial statements on a going concern basis.

2.3 Revenue

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

2.4 Debtors

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

2.5 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.

ORTONA MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.6 Financial instruments

The Company only enters into basic financial instruments 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 and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

2.7 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.

2.8 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.9 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the 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 Company in independently administered funds.

2.10 Interest income

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

2.11 Taxation

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.

3. Employees

The average monthly number of employees, including directors, during the year was 10 (2016 - 8).

4. Interest receivable

	2017 £	2016 £
Interest receivable from group companies	438,584	466,535
	<u>438,584</u>	<u>466,535</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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5. Debtors

	2017 £	2016 £
Trade debtors	1,134	3,337
Amounts owed by group undertakings	15,937,404	16,292,511
Prepayments and accrued income	182	-
	<u>15,938,720</u>	<u>16,295,848</u>

The amounts payable by Group undertakings are repayable on demand.

6. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	-	17,621
Less: bank overdrafts	(119,976)	-
	<u> </u>	<u> </u>

7. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank overdrafts	119,976	-
Bank loans	240,000	730,000
Corporation tax	25,607	78,034
Other taxation and social security	1,226	-
Other creditors	12,495	12,790
Accruals and deferred income	3,187	7,241
	<u>402,491</u>	<u>828,065</u>

The bank overdrafts are secured by an unlimited inter company guarantee over certain properties held by a fellow Group Company (Ortona Properties Limited).

The bank loans are secured by fixed charges over certain properties held by a fellow Group Company (Ortona Properties Limited).

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**NOTES TO THE FINANCIAL STATEMENTS
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8. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Bank loans	1,059,347	1,308,197
	<u>1,059,347</u>	<u>1,308,197</u>

The bank loans are secured by fixed charges over certain properties held by a fellow Group Company (Ortona Properties Limited).

9. Loans

Analysis of the maturity of loans is given below:

	2017 £	2016 £
Amounts falling due within one year		
Bank loans	240,000	730,000
Amounts falling due 1-2 years		
Bank loans	240,000	230,000
Amounts falling due 2-5 years		
Bank loans	489,673	690,000
Amounts falling due after more than 5 years		
Bank loans	329,674	388,197
	<u>1,299,347</u>	<u>2,038,197</u>

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 a fellow Group Company (Ortona Properties Limited). 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.

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 2017, total Group borrowings with the bank totalled £1,299,347 (2016 - £2,038,197).

ORTONA MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

11. 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 £7,595 (2016 - £6,087). Contributions of £676 (2016 - £655) were outstanding at the year end.

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 2017 was unqualified.

The audit report was signed on 26 March 2018 by Charles Savory ACA (Senior Statutory Auditor) on behalf of Larking Gowen.